LSC Funding Guidance 2008/09: Principles, Rules and Regulations

April 2008

Of interest to everyone involved in delivering LSC-funded provision
Further information
For further information, please contact the appropriate LSC partnership team at the local LSC. Contact details for each office can be found on the LSC’s website: www.lsc.gov.uk.

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Intended recipients
Principals, chief executives, chief education officers, chief executives of training providers, heads of providers, finance directors, Work-based Learning and Apprenticeship managers, Train to Gain managers, staff delivering and programme administrators for Apprenticeships and Train to Gain, and management information officers of providers delivering post-16 education.

Status: An integral part of the LSC’s funding agreements, for reference and information.

For information
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Executive Summary

This document, issued as part of the LSC Funding Guidance 2008/09 set of booklets, *Principles, Rules and Regulations* (referred to hereafter as ‘the Guidance’), sets out the approach of the Learning and Skills Council (LSC) to, and the authoritative guidance for, the funding of LSC provision in 2008/09. It is a technical reference document, and should be used as a handbook for all LSC programme funding. All colleges, schools, providers and other organisations that receive funding from the LSC for the provision of education and training are required to comply with the Guidance. It provides the LSC’s consolidated Funding Guidance for 2008/09 and applies to every LSC funding model for the delivery of programmes to learners.

From 2008/09 the LSC will fund provision through three main funding models:

- the 16–18 model;
- the adult learner-responsive model;
- the employer-responsive model.

This document and the other companion documents bring together funding guidance for these models replacing the separate funding documents for Further Education, Work-based learning, School Sixth Forms and Train to Gain.

LSC Funding Guidance 2008/09 is published as a series of booklets, forms and documents, of which this document is one, in line with its business cycle, outlining the main features of the LSC funding arrangements for 2008/09. Under the main heading *LSC Funding Guidance 2008/09* each separate companion document is listed below, and is available on the LSC’s website at:


The LSC also published summary guidance on the new funding methodology (updated in May 2008) in the document *The 16–18, Adult Learner- and Employer-responsive Funding Models* available from the LSC website Funding Policy strategic overview page at:

www.lsc.gov.uk/providers/funding-policy/strategic-overview/.

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* This will only be published on the LSC website during 2008/09 to update any of the booklets as necessary during the year and will not be printed by the LSC.*

**To be printed and distributed only to schools in October 2008.
The booklets replace all the LSC various funding booklets for 2007/08 that applied to Further Education (FE), Work-based Learning (WBL), Train to Gain (TtG) and School Sixth Forms (SSF).

These booklets were available first in draft form on the LSC website during spring/summer 2008. It is intended that the final printed versions will be distributed to providers in early autumn 2008.

The LSC’s general approach and strategic priorities to funding for all providers in 2008/09 is set out in Our Statement of Priorities (November 2007). From 2008/09 the LSC does not intend to restate the policy framework and imperatives set out in Our Statement of Priorities. Therefore all LSC Funding Guidance 2008/09 documents should be read in conjunction with Our Statement of Priorities. This will reduce a significant amount of duplication found in previous LSC Funding Guidance documents.

This document, called Principles, Rules and Regulations, is set out as follows.

- **Section 1** provides an introduction to the document and a summary of key changes for the year. It also sets out the LSC’s main principles in funding learning.

- **Section 2** reviews the types of provider that receive LSC programme funding, and the arrangements under which this funding is received.

- **Section 3** provides definitions of key terms used in subsequent parts of this document and describes the terminology used in the funding methodology.

- **Section 4** provides details of qualifications and funding.

- **Section 5** addresses learner and programme eligibility.

- **Section 6** addresses Skills for Life, including basic skills, key skills and entitlement funding.

- **Section 7** covers the LSC’s approach to distributed and electronic learning.

- **Section 8** addresses delivering Apprenticeships.

- **Section 9** addresses delivering Train to Gain, including all specific funding guidance on Train to Gain.

- **Section 10** addresses delivering Entry to Employment programmes.

- **Section 11** deals with the European Social Fund (ESF).

- **Section 12** provides details on additional learning support within the learner-responsive model.

- **Section 13** provides details on additional learning support within the employer-responsive model.

All funding values and rates stated in this Guidance are based on schools, colleges and providers receiving standard funding.

The guidance in this document and all the other LSC Funding Guidance 2008/09 documents is the definitive LSC guidance and takes precedence over any other separate documents.
1: Introduction and Background

Introduction

1 This document (the Guidance) sets out the Learning and Skills Council’s (LSC) Funding Guidance for all funded programmes in 2008/09. All colleges, schools, providers and organisations that receive funding from the LSC for their provision are required to comply with this Guidance.

2 The information given in this document provides details of the LSC’s approach to funding in 2008/09. This Guidance will operate in the wider policy contexts of the LSC’s Our Statement of Priorities: Better skills, Better jobs, Better Lives (November 2007) (referred to hereafter as Our Statement of Priorities), the FE White Paper, Further Education: Raising Skills, Improving Life Chances and the 14–19 and Skills Strategies.

3 This Guidance forms parts of the LSC’s funding agreements with schools, colleges and other providers of LSC provision. The differences in the LSC approach to funding different types of providers are set out in Section 2 of this document.

4 To simplify this Guidance the single term ‘providers’ will be used instead of constant references to schools, colleges and other providers. The individual type(s) will be used only where the Guidance applies only to that specific type(s) of provider.

5 Definitions of the terms used in this document are set out in Section 3 and Annex A: Acronyms and Glossary.

6 The LSC consulted with the sector on a new funding approach in January 2007 in the document Delivering World-class Skills in a Demand-led System. Following this consultation the LSC’s new funding approach, which has changed significantly for 2008/09, was summarised in the document The 16–18, Adult Learner- and Employer-responsive Funding Models (published by the LSC in November 2007, updated May 2008).

7 For 2008/09 the LSC now has three funding models: the 16–18 learner-responsive, the adult learner-responsive and the employer-responsive. Guidance on the funding formula for these models can be found in the companion document Funding Formula. This document provides the LSC principles, rules and regulations that providers should follow in delivering programme provision funded by the LSC.

Funding Priorities for 2008/09

8 The Government’s priorities for the LSC for 2008/09 were set out in the grant letter of 16 November 2007 from the Secretaries of State for the Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUS) to the Chairman of the LSC.

9 The Secretary of State expects the LSC, working with key partners, to continue to deliver the Government’s long-term reform strategy, as set out in the FE White Paper, including driving forward Success for All (November 2002), the Skills Strategy including Skills for Life, and the 14–19 Strategy, particularly in relation to these priorities.

10 The Secretary of State’s key targets are set out in Annex A to the grant letter.

11 All LSC-funded providers should ensure that the provision they plan and deliver supports the priorities set out in the LSC response to the grant letter, Our Statement of Priorities. This is available from the LSC website at: www.lsc.gov.uk/aboutus/lscstrategy/statementofpriorities/.

Key Changes for 2008/09

12 In Our Statement of Priorities the LSC informed the sector about the introduction of the new demand-led funding systems for 2008/09 together with the following key changes for 2008/09.

13 Funding rates for learners aged 19 or above will be increased by 1.5 per cent.

14 Funding rates for Apprenticeship learners aged 16–18 when they start their programme of study will increase by 1.6 per cent.

15 Funding rates for all other 16- to 18-year-olds will be increased by 2.1 per cent in line with the minimum funding guarantee announced by the Secretary of State.

16 The national fee assumption will be increased in 2008/09 to 42.5 per cent of the national funding rate.
17 The Qualifications and Credit Framework (QCF) became operational in August 2008. The QCF forms a significant part of the UK Vocational Qualifications Reform Programme (UK VQRP), which aims to reform vocational qualifications for adult learners, and will affect the provision available in both the adult learner- and employer-responsive models. In 2008/09, the LSC will need to manage a mixed economy of accredited provision in both the QCF and the National Qualifications Framework (NQF). The LSC will expect providers to start to shift the focus of delivery onto priority vocational qualifications within the QCF where available, see Section 4: Qualifications and Funding.

18 This is the second year of phased implementation of Progression Pathways, in which priority Progression Pathways will be delivered by providers involved in the development and modelling work in 2007/08 on a developmental basis. Outside the development and modelling work, providers will be encouraged to move across to appropriate Entry and Level 1 provision within the QCF as it becomes available.

19 For advice on the introduction of the new Diplomas, see Section 4: Qualifications and Funding.

Principles of Funding Learning

20 The funding provided to schools, colleges and other providers should reflect the directly incurred costs of efficiently delivered provision (with an appropriate contribution to overheads) within the national funding framework and rates.

21 All LSC-funded providers should:

• claim funding at standard learner number (SLN) rates to reflect the costs of delivery and ensure that multiple funding for provision is not claimed;

• ensure that duplication of provision in a learner’s programme of study is avoided and, where this occurs because of an overlap in learning aim content, adjust the funding claimed to reflect the degree of overlap;

• consider guided learning hours (glh) as the key driver of costs incurred when determining the level of funding claimed in 16–18 and adult learner-responsive funding systems;

• consider costs of delivering provision and assessment in the workplace (together with any associated glh) as the key driver of costs incurred when determining the level of funding claimed in the employer-responsive funding model;

• discuss with the LSC partnership team what funding should be claimed in circumstances where the calculation of funding to be claimed results in a level of funding that is clearly well in excess of the costs incurred;

• discuss with the LSC partnership team what funding should be claimed where providers wish to make provision that is in the best interests of their learners but the funding arrangement is viewed as a barrier;

• avoid claiming LSC funding for any part of any learner’s programme of study that duplicates that received from any other source, for example a different LSC funding stream, their employer or the Higher Education Funding Council for England (HEFCE);

• only claim funding for learners assessed as eligible for LSC funding as stated in the companion document Learner Eligibility Guidance. These rules are consistent with the separate guidance on learner eligibility in schools for 16- to 18-year-olds.

22 To ensure that the costs of efficiently delivered provision are reflected in the national SLN values and in national rates, the LSC gathers and reviews the evidence available that relates to such costs.
2: LSC Funding for Post-16 Provision

Types of Providers Funded to Deliver Post-16 Further Education

Further education colleges and higher education providers


24 A key feature of the financial memorandum is the appointment of the college principal as accounting officer. As accounting officer, the college principal has significant personal responsibility for the proper use of public funds by the college and may appear before the Public Accounts Committee. The financial memorandum and its practical application also confer many other mutual obligations and responsibilities on both the LSC and the college. While the LSC seeks to work in close partnership with all of its learning providers, the LSC has a unique relationship as being both the main regulator and the main funding body of FE colleges.

25 The LSC also funds providers regulated by the HEFCE to deliver eligible provision. These providers account for their learner numbers through their returns to the Higher Education Statistics Agency (HESA).

Schools

26 A significant proportion of LSC-funded provision is delivered by schools funded through local education authorities (LEAs). The LSC will continue to fund school sixth form provision in 2008/09 through grant-in-aid and under a financial memorandum. The LSC has already issued separate guidance in letters to schools and LEAs explaining how funding is being distributed and the conditions of funding for school sixth form provision in 2008/09.

27 It is intended to issue a much shorter printed version of the rules and regulations covering standard school sixth form delivery in autumn 2008.

Former external institutions

28 The LSC also funds other providers, many of which were formerly known as external institutions. The majority of providers are local authority maintained. A smaller number are voluntary organisations or private businesses.

29 Local authority-maintained providers, as public bodies, are funded under a grant arrangement and are consequently expected under this arrangement to demonstrate proper use of public funds.

Independent providers

30 Voluntary organisations and other independent businesses are funded under a contract for services with the LSC. Although these providers will deliver both adult and 16–18 learner-responsive provision, the majority of independent providers’ funding will be paid through the employer-responsive funding model.

31 As with work-based learning (WBL) in previous years, the employer-responsive model funding agreement includes a maximum contract value that may not be exceeded by any provider without written authority from the LSC. This will usually be based on the previous year’s contract value, divided by the number of learners. Once the volume and mix are agreed, this can be multiplied to provide a contract value. The provider’s agreed allocation or maximum contract value will provide the LSC with a planned mix of provision.

32 The employer-responsive model funding will be paid on the basis of actual learner activity identified through monthly individualised learner record (ILR) returns. Payments will be adjusted to reflect actual performance up to the maximum contract value. If this method results in an overpayment at the year end, the provider will be required to repay the overpayment. Alternatively, the LSC may, at its discretion, take any action it sees fit to limit overpayments. All reconciliation adjustments will not result in payments above the overall maximum contract value unless a written variation is issued to the contractor by the LSC.

33 All independent providers who deliver 16–18 learner-responsive provision will be subject to in-year adjustments to contract values and profiles as explained in the companion document ILR Funding Claims and Audit Returns.
Funding guidance and providers of different types

34 This Guidance applies to all LSC-funded provision. It may be delivered by schools, FE colleges, former external institutions, higher education (HE) institutions or independent training providers. LSC Circular 04/02: Plan-led Funding for Further Education explains which of these institutions and providers are within scope for non-reconciliation of their funding agreements in relation to their 16–18 provision.

35 Many aspects of this Guidance apply to learndirect provision. However, Ufi now operates its own funding model, and issues separate Funding Guidance to learning centres in respect of the funding they claim from Ufi, which in turn claims its funding from the LSC. Providers of learndirect are advised to consult the latest Ufi Funding Manual for specific details.

36 This Guidance should be applied in different ways according to the nature of the provider and according to whether it is within or outside the scope of non-reconciliation funding. This is summarised in Table 1.

Table 1: Reconciliation of LSC 16–18 funding and providers of different types

<table>
<thead>
<tr>
<th>Relationship with LSC</th>
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<th>Providers in scope and not eligible</th>
<th>Providers out of scope**</th>
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<tr>
<td>Status of Funding Guidance</td>
<td>Rules</td>
<td>Rules</td>
<td>Rules</td>
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<tr>
<td>Regularity audit</td>
<td>Regularity audit for colleges that covers use of all LSC funding</td>
<td></td>
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<tr>
<td>Demand-led funding audit</td>
<td>LSC cyclical funding audit (will vary on a risk-based cycle, depending on LSC risk assessment) taking into account provider type and status</td>
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<tr>
<td>Data quality</td>
<td>LSC data quality checking that will inform LSC cyclical funding audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retrospective clawback/in-year funding adjustments</td>
<td>No (except for any providers removed from plan-led approach by LSC)</td>
<td>Yes, outside any permitted tolerances</td>
<td>Yes, outside any permitted tolerances</td>
</tr>
</tbody>
</table>

* Institutions currently include FE institutions, HE institutions and those former external institutions with grant-in-aid or grant relationships with the LSC.

** Includes all providers that have contractual relationships with the LSC, and currently includes commercial and voluntary organisations and some former external institutions.
37 In general the majority of 16–18 learner-responsive funding delivered by colleges and other public bodies will not be adjusted in-year by the LSC. All adult learner-responsive and employer-responsive funding is expected to be reconciled in line with the principles of the new demand-led funding approach for adult provision (see Table 2). Any institutions not subject to reconciliation and potential retrospective clawback will, as now, be required to spend LSC funds with propriety and regularity. They will be subject to the arrangements for regularity audit together with a new LSC cyclical funding audit approach that will ensure data consistency in providers.

Table 2: Reconciliation of LSC adult (19+) funding and providers of different types

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<thead>
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<th>Relationship with LSC</th>
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<th>Providers in scope and not eligible</th>
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<td></td>
<td></td>
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<tr>
<td>Demand-led funding audit</td>
<td>LSC cyclical funding audit (will vary on a risk-based cycle, depending on LSC risk assessment) taking into account provider type and status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data quality</td>
<td>LSC data quality checking that will inform LSC cyclical funding audit</td>
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<tr>
<td>Profile payments</td>
<td>Adult learner-responsive funding will be paid on a profile basis in 2008/09 on a similar basis to adult FE allocations in 2007/08</td>
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<td>Activity-based payments</td>
<td>Employer-responsive funding will be paid monthly in 2008/09 on the basis of learner activity returned through monthly employer-responsive ILR returns</td>
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<tr>
<td>Retrospective clawback</td>
<td>Yes, outside any permitted tolerances. All funding for ineligible provision or learners will be recovered whenever identified</td>
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</table>

* Institutions currently include FE institutions, HE institutions and those former external institutions with grant-in-aid or grant relationships with the LSC.
** Includes all providers that have contractual relationships with the LSC, and currently includes commercial and voluntary organisations and some former external institutions.

38 All providers and all provision which is subject to reconciliation will be subject to a new funding audit approach which is being developed by the LSC for 2008/09. This is expected to be a two-stage audit that will assist in identifying to the LSC high- and low-risk providers. It is expected that only high-risk providers will be subject to the equivalent of the 2007/08 full funding audit with lower-risk providers being subject to a much smaller scale cyclical funding audit. For provision subject to reconciliation, those providers whose funding out-turns are below target will be liable for clawback, subject to the published tolerances for underperformance, as set out in the companion document ILR Funding Claims and Audit Returns.

39 Providers that have a contractual relationship with the LSC will be subject to the rules set out in this Guidance. These providers will, as now, be held financially to account by the LSC for the totality of their earnings under the LSC’s funding rules. These providers’ earnings will continue to be subject to funding audit. These providers will not be required to return an audited use of funds statement to the LSC.
All providers, whether within the scope of funding reconciliation or not, will continue to be subject to the requirement that they apply LSC funds to learning or costs that have actually occurred and are within the LSC’s legal powers to fund. The LSC will continue to audit the existence and eligibility of learners and costs within its broad legal powers and common-sense tests of reasonableness. The extent of this audit will be largely determined by the risks to LSC funds inherent in the method of delivery. Direct delivery by colleges and providers using their own staffing and resources is likely to be classified as low risk and receive infrequent, ‘light touch’ cyclical audit. Indirect delivery through, for example, sub-contracting, partnerships or electronic learning is likely to be classified as higher risk and subject to more frequent and intense audit. Colleges and providers will be encouraged to demonstrate to the LSC that they are managing the risk of indirect delivery, and the LSC will then reduce its audit coverage accordingly. The companion document ILR Funding Compliance Advice and Audit Guidance for Providers explains more about LSC funding audits in 2008/09.

Sub-contracted provision

When sub-contracting any aspect of provision, the LSC contract holder remains responsible for ensuring that all the requirements of the funding agreement are met, including quality of delivery and administration of Education Maintenance Allowance (EMA) as per the guidance on EMA, available on the LSC website at: http://ema.lsc.gov.uk/ema-guidance/guidance-2008-09.

Funding Agreements and Monitoring

Funding agreements

The LSC will enter into a funding agreement with each provider. The funding agreement will set out the funds for the provision that the LSC has agreed to pay to the provider, and the education and training provision that the provider has agreed to provide in return. Specifically, the provider will be expected to provide the appropriate mix and level of education and training provision as agreed with the LSC. Providers will be expected to:

• generate at least the total number of learners, achievements and cash earned included in the headline target in their funding agreement with the LSC;

• increase the number of learners and key outcomes broadly in each growth category;

• maintain the number of learners in other categories where the provider’s level of funding is maintained;

• notify their LSC partnership team in writing at the earliest opportunity of any likely significant shortfall in the learner volume targets in their funding agreement.

New providers

The LSC will put in place funding agreements that match each provider’s legal form, rather than the funding stream to which it relates. FE colleges will continue to be funded through grant-in-aid and a financial memorandum. Other public bodies will be offered a grant-funding agreement. All other bodies will normally be offered a contract for services. All funds paid to providers under these funding agreements will be subject to the terms and conditions of the main funding agreement.

Organisations seeking to become funded by the LSC should approach their LSC regional contracting team in the first instance for advice about the application process. The regional LSC will notify the provider of the tendering opportunities and how to access them.

In order for a new LSC provider to receive LSC funding, the following criteria must be met:

• the regional LSC will set out the provision it needs to meet growth assumptions, gaps and new provision in its regional commissioning plan. A tendering exercise will be conducted to secure new providers and provision;

• the new-provider assessment must be completed successfully. The full assessment process may not be necessary if a provider is already receiving LSC funding; in such cases, advice from the regional LSC should be sought at an early stage.

The LSC identifies the funding stream and mechanism by which the new provision will be funded.

Existing conditions of funding

The LSC will attach conditions to its funding of colleges and other providers. The LSC has issued simpler summarised conditions to schools in their allocation letters reflecting the school standard delivery arrangements. Conditions (a) to (e) are required by the Secretary of State.

a. Tuition fees shall not be charged to learners aged 16–18 in full-time or part-time education. The LSC has received advice from the DCSF that ‘no fee should be charged to learners aged 16–18 for instrumental tuition which is part of the syllabus for a prescribed public examination’, which includes music qualifications on the Section 96 list. For the purposes of the funding agreement, ‘18’, means ‘under 19 on 31 August in the teaching year when the learner commences a programme of study’. It is intended that such learners should continue to receive free tuition in any consecutive subsequent year of study on the same programme.
b. No fees or charges shall be made to learners in relation to Skills for Life learning aims, excluding those in English for speakers of other languages. For further guidance on the funding of basic skills provision see Section 6: Skills for Life.

c. No compulsory enrolment, registration or examination fees shall be charged to learners aged 16–18 in full-time or part-time education. Providers will, however, be able to seek voluntary contributions from learners or their sponsors.

i) Providers would be able to apply reasonable conditions of attendance in order to qualify for free examination entry.

ii) Providers will be able to charge for examinations and re-sits as follows:

- Where the required attendance or completion of work has not been completed.

- Where the learner fails without good reason to sit the examination for which the provider has paid (it is for the provider to determine what constitutes a good reason, and it may wish to lay down broad criteria in its charging and remission policies).

- Where a learner re-sits an examination resulting from an initial examination failure.

- Where a learner re-sits an exam with the aim of achieving marginal improvements in grades.

iii) Providers should ensure that requirements for attendance and coursework are applied reasonably. Absences or non-completion of coursework because of illness or other acceptable reasons should not be grounds for charging.

iv) Requests for voluntary contributions must make it clear that there is no obligation to contribute, and that learners would not be treated differently according to whether they or their sponsors have made any contribution in response to the request. Any request for voluntary contributions needs to be adequately communicated in advance of the activity taking place.

v) The prohibition on charging will not apply to other charges, for example relating to equipment, special clothing or materials for vocational learning aims. Where clothing or equipment is necessary for the learner’s health or safety, a charge may be made for clothing and equipment that the learner retains, but only if the learner also has the option of borrowing the clothing or equipment free of charge.

vi) Similarly, the prohibition on charging does not apply to the sale of learning materials in bookshops, or similar facilities in institutions, that enable students to secure discounts on books, stationery or similar materials.

vii) Some charges are not defined as fees, and therefore fall outside the scope of this condition. Fines and deposits are not fees. Examples include fines for the late return of library books or other disciplinary fines (provided such penalties have been made known in advance); and deposits on lockers, ID cards, keys, library cards or smartcards and equipment that are fully refundable except in cases of damage or theft.

viii) Providers may charge learners who require additional administrative services that result in extra expense for the provider and that are consequences of a learner being in default and could therefore have been avoided. Examples are charges for replacement of lost items such as keys, ID cards, library cards and smartcards.

ix) Charges for photocopying and printing, including computer printouts, are not fees, given that they are not course-specific, are optional and there are alternative sources for these services.

x) Providers may charge learners for the recreational use of leisure and other non-academic facilities where the activity taking place is not a requirement of a course syllabus or not part of a student union membership free entitlement.

xi) Charges may continue to be made for the travel, board and lodging and other additional costs, including any tuition costs, associated with field trips and similar activities that may form part of or be outside the requirement of the course syllabus or agreed learning programme.

xii) Charges may be made for optional extra activities where the activity is taking place outside a required part of an agreed learning programme, and charging is at the discretion of the provider that would otherwise meet the cost of provision. Examples of optional extra activities include theatre, cinema or museum visits or other day or residential visits that are not a requirement of course syllabuses.

xiii) There is no requirement to charge for optional extras. The provider funding the activity is free to determine whether any charge should be made for it and, if so, how much should be charged and to whom.
d. Colleges in the FE sector shall provide the data required by the Secretary of State to permit the publication of comparative performance tables on learner achievement and other matters in the light of consultation. In particular, each college shall:

- provide to the DIUS (in a form and at a time to be specified) summary data relating to learner achievements in vocational qualifications;

- subsequently publish, alongside its information published by the college under Section 50 of the Further and Higher Education Act 1992, national summary data relating to all qualifications.

e. Colleges in the FE sector shall have a college charter as envisaged in the Charter for Further Education.

f. Colleges shall publish a disability statement.

g. Providers should supply other information as required by the LSC in order to enable it to report to the Secretary of State on equality issues.

h. Where provision fails to meet minimum levels of performance, is deemed inadequate by the Office for Standards in Education (Ofsted) or fails to meet any other quality threshold set out by the LSC, restrictions (including recruitment) may be applied, as outlined in Identifying and Managing Underperformance, until such a time that it is satisfied that the provider or the provision is no longer underperforming.

i. Where leadership and management is deemed inadequate by Ofsted or by the LSC following a college’s failure to meet minimum levels of performance, or any other quality threshold set out by the LSC, or is in financial failure, recruitment restrictions may be applied and the provider may not enter into new, or extend existing, LSC-funded franchise or sub-contracted arrangements until the LSC is satisfied that the deficiencies have been remedied.

j. The provider shall endeavour to provide for at least the same number of learners with learning difficulties and/or disabilities as it did in 2007/08, and at least to maintain the proportion of such learners in its overall enrolment total.

k. The LSC’s duties under the Learning and Skills Act 2000 are to secure proper facilities for learners aged 16–18 and reasonable facilities for learners over 19 years. In performing these duties, the LSC has to take account of the places where facilities are provided, the character of facilities and the way they are equipped. While the responsibility for health and safety remains with the colleges and providers, they shall supply information as required by the LSC on learner health and safety.

48 In certain circumstances, the LSC may not wish its funds to be used by a provider for a particular purpose. It may also wish specialist provision to be maintained. In such cases, following discussions with the provider, the LSC partnership team may wish to include a specific condition of funding in that provider’s funding agreement. Such conditions will be subject to a moderation process within the LSC to ensure a consistent approach nationally.

EMA Guidance

49 The guidance on the EMA that is issued from time to time by the LSC is an integral part of the LSC’s funding agreements. Guidance for 2008/09 can be found at: http://ema.lsc.gov.uk/ema-guidance/guidance-2008-09.

Apprenticeship Provider Location and Delivery

50 Providers should negotiate with each local LSC partnership team regarding the volumes of Apprenticeships they wish to deliver. They must reach agreement with each partnership team, or with the regional team, before delivery begins in that area. Where providers, for operational reasons, need to deliver provision to small numbers of learners across local or regional LSC boundaries, they must obtain the written consent both of the partnership team or regional office with which they have the contract, and of the partnership team or regional office in the area where they will be delivering the provision. Providers will have a nominated contact with the LSC at an area, regional or national level. All enquiries on this guidance or the contract should be addressed to this person. Providers should note that there is no automatic right to offset delivery in one area against delivery in another. Providers seeking to vary any part of the contract schedule should negotiate this with their LSC contacts for each area.
3: Definitions and Terminology

51 This section provides detailed definitions of some of the key terms used in this Guidance. Explanations of acronyms are provided in Annex A.

16- to 18-year-old learner

52 Two definitions are used by the DCSF, the DIUS and the LSC for a 16- to 18-year-old learner. One is for monitoring purposes and the other for funding purposes. This second definition varies according to the funding model.

1 Monitoring

For monitoring purposes, the definition of a 16- to 18-year-old learner is that the learner is aged 16, 17 or 18 on 31 August in the relevant funding year. This definition enables the number of 16- to 18-year-old learners to be monitored in a consistent way.

2 Funding

(i) Employer-responsive model: For the employer-responsive funding model a 16- to 18-year-old learner is aged 16, 17 or 18 on the day the learner begins their programme of study.

(ii) Learner-responsive models: In relation to eligibility for the level of funding available for 16- to 18-year-old learners, a wider definition has been agreed. For funding purposes, a 16- to 18-year-old learner is aged 16, 17 or 18 on 31 August in the teaching year when the learner begins a programme of study. This wider definition ensures that the funding eligibility of a 16- to 18-year-old learner does not change during an individual’s programme if the learner becomes 19 years old. Such learners, if full-time, may be funded for the 16–18 entitlement. They do not have to pay tuition fees if they become 19 during their programme, and colleges and providers may continue to claim fee remission.

53 The LSC would not normally fund 16-year-old school-leavers until after they have left school. The official school-leaving date is the last Friday in June of the academic year, and 16-year-old learners (as defined above) would only be eligible for LSC learner-responsive funding after that date. Colleges and providers may seek to develop innovative introductory courses that strategically target key LSC priority learners who might not otherwise stay in education and learning after school. These learners may start in July, but must plan to continue their courses beyond 1 August of that year. Providers have successfully piloted this type of provision but colleges and providers should not be seen to extend artificially the duration of their current curriculum offer.

19 or over learners (also referred to as adult learners)

54 The definitions (used by the DCSF, the DIUS and the LSC) of an adult learner mirror those relating to 16- to 18-year-old learners. For monitoring purposes, an adult learner is aged 19 or over on the day the learner begins a programme of study. For funding purposes, an adult learner is aged 19 or over on 31 August in the funding year when the learner begins a programme of study. The funding definition should be used in all situations except when monitoring learner numbers. This includes learners who commence new programmes immediately after ending a programme commenced while in the 16-18 age group.

25 or over learners

55 The definition of a learner aged 25 or over mirrors that relating to the younger groups. A learner aged 25 or over is aged 25 or over on their programme start date.

Absence

56 A provider may continue to claim funding for reasonable absences of up to four weeks (28 days) by learners from their programmes who continue in learning after the absence. The LSC does not distinguish between authorised and unauthorised absence for funding purposes.

Actual leaving date

57 The date when the learner completes their learning activity, or the date when the learner is deemed to have terminated the learning activity, if this is an earlier date (as set out in the ILR guidance, Specification of the Individualised Learner Record 2008/09).

Additional learning needs

58 Additional Learning Needs (ALN) relate to the learner’s intrinsic ability.
Additional learning support

59 Additional learning support (ALS) is any activity that provides direct support for learning to individual learners, over and above that which is normally provided in a standard learning programme that leads to their learning goal. ALS is required to help learners gain access to, progress towards and successfully achieve their learning goals. The need for ALS may arise from a learning difficulty and/or disability, or from literacy, numeracy or language support requirements.

60 In the employer-responsive context (see Section 13), it includes financial support that enables young people to take up and remain on their programme. It includes enhancements to monthly payments for learners assessed as having an ALN and/or an additional social need. Exceptional learning support and support for learners with disabilities is also included within ALS.

Additional social needs

61 Additional social needs (ASN) relate to the emotional, behavioural or motivational abilities of the learner.

Advanced Apprenticeships

62 Advanced Apprenticeships are a framework of qualifications where the main aim is National Vocational Qualification (NVQ) Level 3. See also the web link below in paragraph 65.

Advanced Apprenticeship in Sporting Excellence

63 The Advanced Apprenticeship in Sporting Excellence (AASE) is unique in purpose and structure, and therefore a number of different features have been agreed for it. These are detailed in Annex L. The AASE can only be delivered by those providers with specific approval from the LSC.

Agreed break in learning

64 A break in learning may be up to six months (twelve months in the case of maternity leave), as agreed between the learner and the provider; the learner having expressed the intention of returning by a set date. In respect of the employer-responsive model, where the learner is employed, maternity leave can be extended to match that of an employer’s maternity leave scheme if this is greater than the statutory twelve months.

Apprenticeships

65 Apprenticeships are a framework of qualifications where the main aim is NVQ Level 2. See website at: www.apprenticeships.org.uk/.

Apprenticeships framework

66 Apprenticeships frameworks are completed by learners who are engaged in the full Apprenticeships training specification, and are developed by the relevant sector body. Apprenticeships frameworks incorporate the set criteria, outcomes and good practice that are approved by the Skills for Business Apprenticeships Approval Group.

Apprenticeships framework completion certificate

67 The Apprenticeships framework completion certificate complies with national requirements and is approved by the relevant sector body or sector skills council (SSC). It is issued to the apprentice on completion of learning to attest that the minimum requirements of the Apprenticeships have been achieved.

Approved qualification

68 An approved qualification is a current qualification where the learner started learning and was registered with an appropriate awarding body on or before the Qualifications and Curriculum Authority (QCA) final registration date. It was accredited before the QCA certification end date, is approved for funding and is listed on the LSC’s Learning Aims Database (LAD) at: http://providers.lsc.gov.uk/lad/default.asp.

Area costs

69 This is a funding uplift that reflects the fact that, in some geographical areas, higher salaries are needed to attract and retain staff of a similar standard.

Assumed fee income and employer contributions

70 The LSC’s funding approach assumes that all learners, other than those eligible for fee remission, are either charged a tuition fee or their employer contributes towards the cost of the learning. In the employer-responsive funding model the employer contribution is a proportion of the value of LSC funding that would be generated by multiplying the SLN value for the programme by the provider factor weightings and by the LSC published national rate for the programme of study. This formula is expressed in the following bracket (SLN x Provider Factor Weightings x National Funding Rate) and for Apprenticeship co-funded learners the individual contribution percentage required for individual programmes will be visible in the LAD 2008/09. In the adult learner-responsive funding model this assumed fee income will, where relevant, be reflected in a reduction of the funding payable for the programme by 42.5 per cent of the unweighted funding value (calculated by multiplying the SLN value by the national funding rate). This is an increase from 37.5 per cent in 2007/08 and continues the move towards 50 per cent by 2010/11 announced in the 2006 Further Education White Paper Further Education: Raising Skills, Improving Life Chances.
The planned trajectory for the fee assumption is as follows.

<table>
<thead>
<tr>
<th>Year</th>
<th>Adult learner-responsive funding model assumed fee contribution (unweighted programme funding value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>42.5%</td>
</tr>
<tr>
<td>2009/10</td>
<td>47.5%</td>
</tr>
<tr>
<td>2010/11</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

71 The 2003 Skills Strategy White Paper, 21st Century Skills: Realising our potential, clearly set out and reaffirmed the principle that ‘employers and individuals have always been expected to contribute to the cost of their learning because of the benefits they derive’ (paragraph 6.26).

72 The LSC wants to ensure that colleges and providers are able to collect more fees where appropriate and to work together to help foster a culture in which learners and employers are both aware of the extent to which their learning is publicly subsidised, and also accept the principle that it is reasonable and appropriate for them to make a contribution to the costs of their learning where they can afford to do so.

73 For 2008/09, colleges and providers are encouraged to review their local policies for the setting of fees and their collection. See also ‘Fee income measure’ at paragraph 95 and ‘Fee remission’ at paragraph 99.

Average length of stay, with range

74 The average length of stay is the mean duration, in months, calculated from ILR data for all learners on a given Apprenticeships framework in a contract year. The range provides a measure of the spread of values.

Basic skills

75 Adult basic skills provision is defined as provision that caters for the literacy, language and numeracy needs of post-16 learners, including those with learning difficulties and/or disabilities, from pre-Entry Level up to and including Level 2. In the context of basic skills, ‘adult’ refers to any learner over the age of 16 (that is, one who is no longer in compulsory education), with no upper age limit. Provision may be delivered as stand-alone or as part of a vocational programme or additional learning aim; it may be delivered full-time, part-time, or through self-study or information and communications technology (ICT). This definition applies to provision that has been approved as basic skills by the Secretary of State, or non-approved Entry Level and pre-Entry Level provision that is based on the national standards for adult literacy and numeracy.

Curriculum entitlement

76 The introduction of Curriculum 2000 included an entitlement to the development of key skills and tutorials and enrichment activities for all full-time 16- to 18-year-olds starting programmes from the 2000/01 teaching year onwards.

77 The LSC expects that the entitlement will include regular tutorials and enrichment activities, which will be delivered in an appropriate number of guided learning hours (glh) that are additional to the other learning aims within the learner’s programme. Consideration of the entitlement provision delivered by colleges and providers is reviewed during inspection.

78 The 16–18 entitlement has a listed SLN value of 114 glh. This does not include any SLN value for key skills, which are funded entirely outside of the entitlement from 2008/09.

Disability

79 The Disability Discrimination Act 1995 describes a person as having a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. Guidance about the terms used within the definition, and what is meant by ‘day-to-day activities’ is given in the Disability Discrimination Act 1995 Part 1, and in the Department for Work and Pension’s (DWP) 2005 Consultation Document, ‘Guidance on Matters to be Taken into Account in Determining Questions Relating to the Definition of Disability’.

Disadvantage uplift

80 The purpose of the disadvantage uplift is to ensure that certain learners attract a funding enhancement that reflects both their relative disadvantage and the expected additional costs incurred by colleges and providers in attracting, retaining and supporting such learners. Disadvantage uplift is explained in full in Sections 1 and 2 of the companion document Funding Rates, which includes advice on disadvantage uplift eligibility through the learner’s home postcode. For learner-responsive funding returns, providers need to identify disadvantage in their ILR returns so the disadvantage element of their future provider factors are properly calculated.

a. The following groups of learners are eligible for the disadvantage uplift factor of 12 per cent:

- basic skills learners (refer to Section 6 and Annex B of this Guidance for clarification of when a basic skills learner is entitled to the disadvantage uplift);
- those living in hostels and residential centres;
- those with mental health problems;
• Travellers;
• those whose statutory education has been interrupted;
• those in care or who have recently left care;
• asylum seekers eligible for LSC funding according to Section 2 of the companion document Learner Eligibility Guidance;
• refugees;
• ex-offenders;
• offenders serving their sentence in the community;
• full-time carers;
• those recovering from alcohol or drug dependency;
• learners funded by the Single Regeneration Budget;
• learners funded under Offenders’ Learning and Skills Service (OLASS) arrangements (see paragraph 290).

b. A higher disadvantage uplift of 14 per cent may be claimed for the following groups of learners (supported accommodation in this context means foyers, hostels and other forms of managed accommodation providing housing management support to the residents):
• people living in supported accommodation provided by a registered social landlord (RSL) or housing association (HA) registered with the Housing Corporation, or provided by another non-profit-making organisation in a building owned by an RSL or HA;
• people living in supported accommodation provided by a registered charity; and
• people living in supported accommodation registered with the local authority or National Housing Federation.

c. Learners who fall into one of the following groups are not eligible for disadvantage uplift, unless they also meet one of the criteria outlined in (a) or (b) above:
• the long-term unemployed;
• single parents;
• those living in areas of rural deprivation or isolation;
• residents of former Coalfields Task Force areas;
• learners enrolled on ESF-funded provision.

Distributed and electronic learning
81 Distributed and electronic learning (DEL) is the term the LSC uses to encompass those forms of learning delivery sometimes called ‘distance learning’, ‘online learning’ or ‘electronic learning (e-learning)’. Other terms are ‘open learning’ and ‘flexible learning’. The funding for this type of provision is described in detail in Section 7: Distributed and Electronic Learning.

Education Maintenance Allowance
82 The EMA is a payment to encourage young people from low-income families to stay in learning after the age of 16. See: http://ema.direct.gov.uk/.

Employed or employment
83 Employment includes full-time (16 hours or more a week) or part-time work or self-employment, on a permanent, temporary or casual basis, under a contract of employment. It excludes taking part in voluntary work or other work that is not subject to a contract of employment.

Employed status
84 A learner has employed status if they are under a contract of employment. This includes self-employment.

Entry
85 Entry includes all activities leading to the enrolment of a learner on a learning programme. This is no longer a separate element of the funding formula, and is now fully incorporated into the overall programme funding. Good-quality entry activity is essential to ensure that learners are enrolled on the most appropriate learning aim(s) to meet their needs and aspirations.

Entry to Employment
86 Entry to Employment (E2E) is a dynamic approach designed to equip young people to become independent, self-motivated, informed and empowered to take control of their lives. Its primary aim is to enable learners to progress into employment with training or on to further learning programmes. It is further defined in Section 10: Entry to Employment, paragraph 539.

Entry to Employment activity plan
87 The E2E activity plan is a document that describes the programme of activities that individual learners will undertake as part of their participation in E2E.

Entry to Employment curriculum offer
88 The E2E curriculum offer refers to the range of learning opportunities for learners that meets the requirements of the E2E entitlement curriculum.
Entry to Employment learning framework

89 The E2E learning framework is the overall statement and description of what E2E is, who it is for, and what it strives to be. This includes the ethos and principles on which it is founded.

Entry to Employment Prospectus

90 The E2E Prospectus refers to a set of documents that detail the range of information that is currently available about E2E.

Exceptional learning support

91 Exceptional learning support (ELS) is support that is required to meet the learner's needs where the costs exceed the defined threshold level.

Expected length of programme

92 The expected length of programme refers to the expected duration of a particular programme. It may also be used to refer to an individual learner’s start and planned end dates. The LSC supplies average length of stay and acceptable ranges for Apprenticeship programme aims.

Fees charged to learners

93 Providers are able to set the levels of fees charged to learners. LSC partnership teams monitor fee levels to ensure that variations do not adversely affect provision in the area. Where providers do charge more than 42.5 per cent in tuition fees, they will be able to retain the full amount charged. However, the LSC also requires providers to see their provision as full-cost recovery provision where the tuition fee charged to the learner approaches the value of LSC funding that would be generated by multiplying the SLN value for the programme by the programme weight and by the provider area cost uplift and by the LSC published national funding rate for the programme of study. This formula is expressed in the following bracket: (SLN x Programme Weight x Area Cost Factor x National Funding Rate).

94 The requirement to remit tuition fees for 16- to 18-year-olds applies to provision funded by the LSC. There are well-established arrangements whereby colleges and providers of Apprenticeships for young people establish agreements for colleges to deliver aspects of the provision, such as qualifications that form part of an Apprenticeship framework. In these circumstances, the provider agrees a funding transfer to the college. These arrangements are not affected by the requirements relating to tuition fees for 16- to 18-year-olds. Colleges may continue to receive funding directly from Apprenticeship providers for the delivery of aspects of Apprenticeship provision; however, they should consider the funding being drawn down by Apprenticeship providers in setting the charges for both key skills and Technical Certificates. No additional LSC funding may then be claimed for this provision.

Fee income measure

95 The LSC introduced an income measure in 2005/06 in line with the commitment in the Skills Strategy White Paper. The purpose of the measure is to act as a mechanism for colleges and the LSC to work together in changing the culture and expectations around learner and employer contributions, and to increase the total income for the sector.

96 LSC partnership teams will agree income measures with all providers in receipt of LSC funding. The fee income measure will be in two parts: first, that in respect of tuition fee income from individuals and employers engaged with LSC-funded programmes only; and, second, that from other sources of income.

97 The fee income measure will be agreed on an individual basis for each institution. In agreeing an appropriate measure, the following factors will be taken into account:

- the current position of each institution with regard to the fees it currently collects;
- theoretical fees that could be collected if the 42.5 per cent fee assumption were to be applied;
- the mission of the college and its own local fee remission policy;
- the socio-economic profile of the locality the institution serves;
- benchmarking data with similar institutions;
- regional and local skills priorities.

98 Agreeing the fee income measures, and assessing performance against them, will be discussed and assessed as part of the LSC annual review of providers’ plans. See also ‘Assumed fee income and employer contributions’ at paragraph 70 and ‘Fee remission’ below.

Fee remission

99 Certain categories of learners are not expected to pay tuition fees, and in such cases the full national funding rate will be paid. Further detail is provided in Section 4 of the companion document Learner Eligibility Guidance.

Final funding claim

100 The final funding claim is a final claim based on LSC-funded provision for eligible learners recorded on the ILR. This is prepared after the end of the year, to enable all activity to be recorded. The claim(s) in any funding model will be subject to an external funding audit opinion where specified by the LSC.
Formula-funded provision

101 Formula-funded provision comprises any programme provision funded by the LSC under any of the funding models described in this document.

Foundation Learning Tier

102 The Foundation Learning Tier (FLT) is a programme of work that aims to develop a more focused and strategic approach to Entry Level and Level 1, the details of which can be found in Section 4: Qualifications and Funding.

Full-time education or training

103 Learners engaged in education or training of more than 16 hours a week, or on a course of 450 glh or more a year, are considered full time. Education or training includes FE, HE or training at any educational establishment (school, college, university, city technical college) but excludes Open College or Open University or other distance-learning courses.

Full-time equivalent

104 A learner studying a programme of 450 or more planned glh in a funding year will count as one full-time equivalent (FTE). A learner studying a programme of fewer than 450 glh in a funding year will be converted to a fraction of one FTE by dividing the planned glh of the learner’s programme by 450. For these part-time learners, their FTE and SLN values will be the same.

Full-time learner

105 A full-time learner is one enrolled on a programme of at least 450 glh in any 12-month period. This includes a learner who withdraws after meeting the start criteria.

106 Funding calculations are now made only on an annual basis. The 450 glh would include the glh associated within the 16–18 entitlement (assumed by the LSC to be 114 glh per year from 2008/09).

107 Colleges and providers with learners aged 16–18 who study programmes of fewer than 450 glh that are equivalent to two A5/A2-levels plus the entitlement plus at least one additional key skill may seek approval from their LSC partnership team for those learners to be considered full-time on an exceptional basis.

108 In respect of Curriculum 2000, colleges and providers should note that ministers expect full-time programmes for 16- to 18-year-olds to be substantially greater than the minimum threshold level, and that learners will engage in a broader curriculum experience.

Gained

109 This is the date that an outcome is determined or an approved qualification is achieved (which means the date when a certificate or any other acceptable evidence is first issued). For providers without direct claim status, the date of achievement is the internal verification date. For providers without direct claim status, the date of achievement is the external verification date.

Guided learning hours

110 Guided learning hours (glh) are defined as all times when a member of staff is present to give specific guidance towards the learning aim being studied on a programme. This definition includes lectures, tutorials and supervised study in, for example, open learning centres and learning workshops. It also includes time spent by staff assessing a learner’s achievements, for example in the assessment of competence for National Vocational Qualifications (NVQs). It does not include time spent by staff in the day-to-day marking of assignments or homework where the learner is not present. It does not include hours where supervision or assistance is of a general nature and is not specific to the study of the learners.

Hardship fund

111 From 2008/09 the hardship fund is no longer available and eligible E2E learners are eligible for discretionary Learner Support Funds (dLSF) in the usual way.

Individualised learner record

112 The individualised learner record (ILR) is used by providers to record all relevant funding data about LSC-funded learners. More information can be found in the LSC’s ILR guidance Individualised Learner Record Specification for 2008/09, available at: www.lsc.gov.uk/providers/Data/Datacollection/ILR/

Information, advice and guidance

113 All learners regardless of level, age or programme should be able to access information, advice and guidance (IAG) services to enable them to consider further learning opportunities, progression and career choices. This is a key expectation in support of our priorities for Skills for Life, full Level 2 and Level 3 qualifications and for Higher-level Skills.

114 Where IAG is embedded in learning programmes and in the entitlement curriculum for full-time 16- to 18-year-olds, suitable arrangements should be made for teaching and learning-support staff to be aware of and to access appropriate information and to be able to direct learners to specialist advisers and resources.

In-learning

115 A learner who has commenced an agreed course of learning and has not yet finished that course of learning is said to be in-learning. A learner continues to be counted as being in-learning even if that learner is not attracting funding because they have drawn down or been paid all the on-programme money attracted by the programme.
In-learning census date for employer-responsive funded programmes

116 In the employer-responsive model this is the census date at which a learner must be classified as being in learning for a payment for that period (month or week) to be received. A learner who leaves on a census date is counted as being in learning for that month for funding purposes. A learner who starts on a census date is also counted as being in-learning for that month for funding purposes. Once the census date has passed, if the learner is no longer in learning, funding will not be generated for that learner.

Key skills

117 There are three key skills qualifications at Levels 1 to 4: Communication, Application of Number and Information Technology (IT). Awarding bodies offering these qualifications are identified in the Section 96 list, under 'Key skills'. Further detail is provided in Section 6: Skills for Life.

118 There are three wider key skill units at Levels 1 to 4: Working with Others, Improving Own Learning and Performance, and Problem-solving. These are separately fundable as unlisted programmes from 2008/09.

119 Funding may be claimed for the wider key skills in addition to the entitlement funding, provided that additional glh are delivered at the appropriate level. However, the wider key skill units could also be delivered as enrichment activity, in which case no additional funding should be claimed.

120 In respect of Apprenticeships the number and level of key skills funded is determined by the Apprenticeship framework being followed, with only those key skills required by the framework being funded. Providers may deliver wider key skills to the learner but these must be recorded as non-LSC funded on the employer-responsive ILR.

Learner

121 In this Guidance, this refers to an eligible learner who has commenced their learning programme. An ex-learner whose learning has been terminated is also referred to as a learner with respect to their terminated course.

Learner eligibility

122 The LSC will consider as eligible for funding any person who meets the criteria described in Section 2 of companion document Learner Eligibility Guidance.

Learner fees or remission

123 Learners, employers or their sponsors are expected to pay a contribution towards the cost of learning (tuition fees) unless they are entitled to fee remission (see also paragraphs 70 and 93–99).

Learner support funds

124 In the learner-responsive funding models learner support funds (LSF) includes those funds that support the learner to stay in learning. They include funding support for:

- hardship;
- childcare;
- travel;
- residential accommodation.

Learning

125 Learning is defined as a process of planned activities that the learner engages in, and that is specifically designed for imparting the knowledge, skills and competence that are required for effective participation in the labour market.

Learning aim

126 A learning aim is defined as a single element of learning that attracts funding at either a listed SLN value or has an unlisted SLN value that is based on delivered glh.

Learning opportunity

127 This is an opportunity offered to an eligible person to engage in and to complete suitable full-time learning (or, where the funding agreement permits and the eligible person so elects, suitable part-time learning) as specified in the Individual Learning Plan (ILP).

Learning programme

128 A learning programme comprises all of a learner’s activities that involve the use of the resources of the provider at which the learner is enrolled. A learning programme may be composed of one or several learning aims. AS- and A2-levels taken in subsequent years are considered to constitute a single learning programme. In another example, an Advanced Apprenticeship (learning programme) may be composed of an NVQ, key skills and a Technical Certificate (learning aims).

Learning provision

129 The Learning and Skills Act 2000 recognises two types of learning provision. These are:

- approved qualifications, that is, learning aims that lead to qualifications approved by the Secretary of State under Sections 96 and 97 of the Learning and Skills Act 2000;
- provision outside the National Qualifications Framework (NQF), that is, learning aims that do not lead to qualifications as defined above.
Further detail is provided in Section 5: Eligibility Arrangements.

LSC organisation

The LSC operates a three-tier organisational structure, at national, regional and partnership level. LSC National Office leads on strategic relationships with national stakeholders and develops national policy. Regional centres provide enhanced strategic capacity for the LSC to engage effectively with regional partners and determine regional priorities and needs. LSC partnership teams translate national and regional strategies and priorities into local delivery and should be the first port of call for any queries from providers.

Contact details for the LSC National Office, regional centres and area partnership teams can be found on the LSC website at: www.lsc.gov.uk/.

Maximum hours of work

All employed learners are subject to the Working Time (Amendment) Regulations 2002. For Programme-led Apprenticeships a maximum number of 37.5 hours of work and learning applies.

Minimum funding guarantee

The minimum funding guarantee ensures that schools will receive a guaranteed increase in per-pupil funding from one year to the next. For 2008/09, the Secretary of State has determined that the increase in core per-pupil funding shall be 2.1 per cent.

For 2008/09, the LSC has in general increased funding rates in the 16- to 18-year-old learner-responsive funding models (which includes school sixth forms) by the same amount as the minimum funding guarantee, that is, 2.1 per cent. Apprenticeship 16–18 learners see their funding rates rise by 1.6 per cent.

National Employer Service

The National Employer Service (NES) has the responsibility for managing the contracting arrangements with large, national, multi-site employers and with providers that act on behalf of these employers. Its purpose is to simplify the LSC’s relationship with large employers and their representatives. The aim is to ensure that large national employers can work with the LSC at a single point, while providing flexibility at the local level to meet local needs. More information is available from the NES website at: http://nes.lsc.gov.uk/.

National rates

The national rate is the national funding rate applied in each of the funding models to the SLN value calculated for each programme. Together this reflects the size of the learning aim and the basic cost of delivery. It includes the funding elements for assumed fee income and achievement. For adult provision the co-funded provider rate excludes the value of fee remission. The national rates are explained in more detail in the companion documents Funding Rates and Funding Formula.

Non-formula-funded provision

This comprises provision not funded under any of the LSC funding models described in the LSC Funding Guidance 2008/09 documents.

Normal recruitment area

LSC partnership teams will usually regard a provider’s normal recruitment area as the LSC area the provider is physically situated in and all adjoining local LSC areas.

This definition may be varied more tightly or loosely by LSC partnership teams, depending on the provider location, and each LSC partnership team can help providers to agree a reasonable definition of their normal recruitment area.

This definition should be applied strictly in the 16–18 and adult learner-responsive models. It is likely that a wider discretion may have been given, in advance of delivery, to providers by their contracting LSC office for approved delivery solely within the employer-responsive funding model.

Outcome

The outcome of a learning programme is the achievement by learners of an approved qualification. This is either an NVQ or completion of the whole Apprenticeships framework. In certain circumstances an outcome may be a job, job with training or additional learning.

Partnership provision

Partnership provision is learning provision that is delivered with the involvement of a third party.

Part-time learner

A part-time learner is engaged in a programme that is fewer than 450 glh in any 12-month period. Specific guidance relating to such learners who are claiming Jobseeker’s Allowance is given in Annex D: Jobseeker’s Allowance, Tax Credits and Pension Credit.

Payments – on-programme paid monthly profile

These are usually paid monthly according to the provider’s agreed monthly profile for their funding allocation for the learner-responsive funding models.
Payments – monthly paid instalments

146 In the employer-responsive funding model only, these are the payments the provider will receive in respect of formula-funded provision for each learner who is in learning on the in-learning last day of the month.

Personal adviser

147 A personal adviser is the named Connexions person who works with a young person and who has responsibility for supporting that person to help them enter education or training and to achieve their learning aims.

Pre-entry advice and guidance

148 The LSC considers it essential that learners have access to clear and full information on the costs of programmes before enrolment.

149 The funding for each learner’s programme is still based on the principle that learners are provided with pre-entry advice and guidance. Such advice and guidance are crucial if the learning programme is to match a learner’s aspirations, expectations and abilities. Colleges and providers should not claim separate funding for a learning aim that represents provision typically forming part of pre-entry advice and guidance or induction activities.

150 The successful outcome of pre-entry advice and guidance is a learning agreement signed on behalf of the provider and by the learner. While recognising that different types of learners may require different approaches to advice and guidance, the learning agreement should provide confirmation that the following broad areas have been covered:

• implications of the choice of learning programme;
• entry requirements for each learning aim within the learning programme;
• an assessment of the suitability of the learning programme for the individual;
• support available for the learner, and which, if any, support is needed;
• a brief description of the nature of the procedures involved in the process of advice and guidance.

151 The additional costs of specialised assessments of learners with learning difficulties and/or disabilities should be included in the additional learning support (ALS) costs form. Sections 12 and 13 contain further information on ALS.

Programme-led apprentice

152 A programme-led apprentice is either:

• a non-employed learner on an Apprenticeship following the whole Apprenticeship framework funded through employer-responsive funding.

Programme weighting

153 Programme weighting is a funding uplift reflecting the fact that some learning aims of similar length are more costly to deliver than others; for example, engineering provision is more costly than business administration.

Progression Pathways

154 Progression Pathways are frameworks for learning that are specifically designed to promote progression to Level 2 and other positive destinations as well as to help learners to achieve formal qualifications. Progression Pathways are built from qualifications drawn from Entry Level and Level 1 of the Qualifications and Credit Framework (QCF) and are part of the development of the FLT. Further information on Progression Pathways can be found in The Prospectus for Progression Pathways (August 2008) available on the LSC’s Qualification and Framework Reform website: http://qfr.lsc.gov.uk/flt/support. Further details on the FLT are provided in Section 4: Qualifications and Funding.

Provider factor

155 This is calculated individually for each school, college and provider. It reflects both the relative costs of delivery and quality as measured by the provider’s overall success rate. It is used in the learner-responsive systems to help determine the provider funding and in the employer-responsive model to agree provider allocations or maximum contract values.

156 The provider factor includes the following elements, which are multiplied together to give the factor:

• average programme weighting;
• disadvantage;
• area costs;
• short programme modifier;
• success factor.

Provider Funding Report

157 Provider Funding Reports (PFRs) are reports that are available to the provider from the ILR. The reports detail the actual earned current position of a provider against its profile, based on the information the provider has supplied in the form of their data return.
Qualifications and Credit Framework

158 The Qualifications and Credit Framework (QCF) is a unit-based qualifications and credit framework based on a system of credit accumulation and transfer, the details of which can be found in Section 4: Qualifications and Funding.

Refugee

159 A refugee is someone with humanitarian, indefinite, limited or exceptional leave to remain in the UK. A refugee seeking entry to publicly-funded training programmes must have the appropriate Home Office documentation giving them permission to train and work in the UK.

Right to time off for study or training

160 The right to time off for study or training is defined in Part III of the Teaching and Higher Education Act 1998 (the 1998 Act). A copy of the 1998 Act is available on the DCSF website at: www.dfes.gov.uk/index.shtm. From September 1999, employees who are aged 16 or 17, who are not in full-time education, and not qualified to Level 2 – as defined by the Regulations under the 1998 Act – have the right to reasonable paid time off work to study or train for approved qualifications. Certain employees aged 18 also have the right to complete study or training they have already begun.

161 The LSC’s experience to date has been that virtually all enquiries under this law can be met through mainstream LSC provision. If providers receive any queries they are unable to deal with through mainstream provision, they should contact their local LSC partnership team.

School

162 This refers to schools that operate under the DCSF Schools Regulations, but excludes tertiary colleges, community colleges, sixth form and FE colleges.

School leaving date

163 The school leaving date is the last Friday in June in the school teaching year in which a young person reaches the age of 16.

(School) Year 11

164 Year 11 is the school year in which the majority of pupils have reached 16 years of age by the end of the academic year.

Self-employed

165 Learners who are self-employed can be classed as employed for the purposes of Apprenticeship eligibility.

September Guarantee

166 The 14–19 Education and Skills Implementation Plan (DfES, 2005) made a commitment to offer, by the end of September, a suitable place in post-16 learning to all young people completing compulsory education. This is known as the September Guarantee.

167 The proportion of young people in education and training falls by around 10 per cent between ages 16 and 17. The September Guarantee is therefore being extended to 17-year-olds in 2008 to give those who enrol on one-year or short courses, or who leave the activity they chose when leaving school, further opportunities to engage in learning. This means that all young people who reached the statutory school leaving age in 2007 and 2008 will be entitled to an offer under the September Guarantee.

Standard learner number

168 Standard learner numbers (SLN) are based on learner enrolments and are not affected by withdrawals (which are taken into account in the calculation of the provider factor). They are calculated separately for each academic year of study on each learner’s programme. Hence, when a learner is on a two-year programme, an SLN value will be calculated separately for each year.

169 An SLN is calculated for each learner by dividing their total programme glh by 450, which is capped at a maximum funding value of 1.75 for learners attending programmes in the teaching year of more than 787.5 glh. Full details are in the companion document Funding Formula.

Start date

170 Start dates are used from 2008/09 to determine when and whether funding should be claimed for any learner. It is determined by the date on which the learner’s learning programme begins and ends. Further details of how start dates relate to funding and the qualifying periods of attendance to count as a funding start are given in Section 2 of the companion document Funding Formula.

Technical Certificate

171 A Technical Certificate (TC) is a vocationally related qualification that is recognised by the QCA as providing the underpinning knowledge of the NVQ and forming part of the Apprenticeship as approved by the Skills for Business Apprenticeships Approval Group. All approved TCs are listed on the LAD on the LSC’s website at: http://providers.lsc.gov.uk/lad/default.asp.

Temporary framework

172 This comprises an NVQ plus key skills that the LSC has agreed in discussion with the appropriate sector skills council (SSC) or sector body. It provides a complete learning programme that is broadly equivalent to an Apprenticeship in an occupation or sector where no suitable approved framework exists.
Training Provider Statement

173 The Training Provider Statement (TPS) is an auditable electronic return that details the amount of funding earned for non-formula-funded activity. It is completed on a monthly basis.

Triannual periods

174 These are no longer used by the LSC from 2008/09.

Turbulence

175 This term refers to changes to the level of funding for the same provision as a result of a change in the funding approach.

Units within the Qualifications and Credit Framework

176 A unit within the QCF is defined as a coherent and explicit set of learning outcomes and assessment criteria, with a title, credit value and level. Details can be found in Section 4: Qualifications and Funding.

Unlisted

177 This term refers to programmes in 2008/09 that do not have a listed funding value (these were previously referred to as loadbanded programmes).

Work experience

178 Work experience refers to non-employed placements with employers, which are intended to help learners improve their skills, gain experience and become accustomed to a working regime and environment.

Wider key skills

179 See under ‘Key skills’ at paragraph 117.
4: Qualifications and Funding

Qualification Reform

Vocational Qualifications Programme Reform

The UK Vocational Qualifications Reform Programme (UK VQRP) has been set up to create a system that is more responsive to the demands of employers and learners. It consists of several major programmes of work; in particular the sector qualification reform, led by the UK Commission for Employment and Skills (formerly part of the Sector Skills Development Agency (SSDA)), the development of a unit-based credit and qualification framework, led by the Qualifications and Curriculum Authority (QCA) and planning, funding and delivery systems to support reform (led by the LSC). Full details of the reform programme, and the work of the SSDA, the QCA and the LSC in taking forward the reform of vocational qualifications in England can be found at:

- the DIUS website: www.dius.gov.uk/vqreform/
- the LSC website: http://qfr.lsc.gov.uk/ukvqrp/
- the UK Commission for Employment and Skills website: www.ukces.org.uk/
- the QCA website: www.qca.org.uk/framework.

In England the reform programme was implemented from August 2008 when the new Qualifications and Credit Framework (QCF) became operational beyond a test and trial basis. Currently the UK VQRP is focused on adult vocational qualifications. Discussions are taking place about the scope and reach of the UK VQRP and the LSC is working with partners to examine the potential for bringing valued provision currently outside the sector skills council (SSC) sector qualification strategies into the reform programme arrangements and into the QCF.

It is anticipated that by 2010 the QCF will be more or less complete and will have replaced the current National Qualifications Framework (NQF). There will be a three-year transition period to the QCF and during this period the LSC will be funding a mixed economy of QCF and NQF provision, placing increasing emphasis on the delivery and gradual shift to QCF provision as it becomes available. Providers need to be aware that the LSC will not be expecting to fund any new enrolments on provision outside the QCF from 1 August 2010. Providers are asked to also refer to the Addendum to Statement of Priorities: Aligning Public Funding with Priority Vocational Qualifications in England in 2008/09 (published by the LSC in December 2007). For further details see: http://readingroom.lsc.gov.uk/lsc/National/Aligning_Public_Funding_with_Priority_VQs_(11Dec2007).pdf.

As part of the implementation of UK VQRP, the LSC is also taking forward work to better align the adult learner-responsive and employer-responsive demand-led funding models within the UK VQRP. Part of this work currently involves working trials of unit funding and ensuring current performance measures can better support flexible patterns of achievement in the QCF. The work was initially reported in March 2008 and it is anticipated that trials of unit funding will be extended during 2008/09 as more provision enters the QCF which will be funded in line with this guidance.

Diplomas

Diplomas are exciting and innovative new qualifications for 14- to 19-year-olds. They have been created to provide a real alternative to more traditional education and qualifications and are the most important changes to the country’s education system since the introduction of GCSEs. Diplomas will give young people a fully rounded qualification, which combines theoretical and practical learning, including functional English, Mathematics and ICT, to equip them with the skills, knowledge and understanding they need for further or higher education and long-term employability. A number of Diplomas are currently being piloted by the DCSF across the country before the full range becomes available by 2011.

The following principles will apply to post-16 Diploma funding.

- The standard LSC funding methodology is used, for simplification and standardisation.
- The programme weightings that apply are those used for further education because of the vocational nature of the Diploma.
- Funding will be allocated to and flow through the learner’s home provider.
• Success rates will be calculated for achievement of the whole Diploma.

• Funding will be calculated based on the individual component learning aims.

186 Each Diploma is made up of a number of component learning aims. To achieve the overall Diploma qualification, learners will need to pass all of the required components. To ensure funding paid reflects a learner’s actual programme, each component learning aim is funded separately, as it would be if a learner did a number of A-levels or a mixture of qualifications.

Foundation Learning Tier

187 The Foundation Learning Tier (FLT) is a programme of work to develop a more focused and strategic approach to Entry Level and Level 1 for learners aged 14 and over within the QCF in order to raise participation, achievement and progression among learners at these levels.

188 Within the FLT, Progression Pathways will be the main organising structures. They are frameworks for learning built from qualifications that are drawn from the FLT (that is, Entry Level and Level 1 of the QCF). Each Progression Pathway will include three distinct components: vocational knowledge, skills and understanding; functional skills; and personal and social development. These components are supported by a wrap-around of information, advice and guidance, effective initial assessment, comprehensive ongoing review and provider collaboration. Progression Pathways are specifically designed to promote progression to Level 2 and beyond or to other positive destinations, as well as helping learners to achieve formal qualifications at Entry Level and Level 1 from the QCF.

189 Progression Pathways will replace current arrangements in terms of Entry to Employment (E2E), Foundation Learning in Further Education and First Steps learning. Provision within Adult Safeguarded Learning – which includes Personal and Community Development Learning (PCDL), Family Literacy Language and Numeracy and Neighbourhood Learning in Deprived Communities – is out of scope of the FLT programme of work. Provision for those with learning difficulties and/or disabilities (LLDD), however, is within the scope of the programme.

190 Over time, the LSC will concentrate more of the funding identified for the FLT on Progression Pathways. Not all QCF qualifications at Entry Level and Level 1 will need to be offered within a Progression Pathway. Learners may still choose to follow ‘stand-alone’ qualifications outside a Progression Pathway; however, those qualifications may not be an automatic priority for public funding. The LSC is currently exploring the scope, nature and volume of provision that it might support outside Progression Pathways.

191 2008/09 is the second year of phased implementation of Progression Pathways, in which priority Progression Pathways will be delivered by providers involved in the development and modelling work in 2007/08 on a developmental basis. Outside the development and modelling work, providers will be encouraged to move across to appropriate Entry and Level 1 provision within the QCF as it becomes available. In addition, work on the development and modelling of Progression Pathways will be disseminated to providers throughout 2008/09 alongside events and communications focusing on raising capacity. 2009/10 will be the first year when Progression Pathways becomes an established part of mainstream provision and we would therefore expect to see a significant increase in the number of providers delivering Progression Pathways in 2009/10 in preparation for full implementation in 2010/11 as well as a substantial reduction in existing provision such as E2E, First Steps and Foundation Learning in Further Education. 2010/11 will see the full implementation of a complete set of Progression Pathways replacing all legacy provision.

A – Z of Qualifications

Access to Higher Education

192 The LSC recognises the importance of Access to Higher Education (HE) provision as a critical part of the DIUS, HEFCE and LSC Joint Progression Strategy, which is concerned with widening progression into HE for under-represented learners.

193 In addition, the LSC strategy for HE has made a commitment to support the delivery of the widening participation agenda across HE. A key component of this strategy is to identify and support appropriate progression routes in HE. In the context of the balance and mix of provision, LSC partnership teams should be aware that Access to HE provision is identified within the HE strategy as a critical and important component of progression and it remains the expectation that this provision, which is regulated by the Quality Assurance Agency (QAA) for Higher Education, should be secured and consolidated.

194 The LSC therefore considers it important to ensure that, through appropriate planning, sufficient funding is made available to prevent a decline in this provision and support the range of opportunities that it offers. This may include support for new Access to HE courses to meet identified need, and/or to replace courses that have outlived their usefulness.

195 The QAA-regulated Access to HE qualification was accepted as a full Level 3 qualification in the Labour Force Survey in autumn 2004. It is therefore to be considered full Level 3 priority provision in strategic discussions with providers for planning and funding purposes. It is also a qualification eligible for fee remission within the 19–25 first full Level 3 entitlement.
The QAA regulates the framework for the recognition and quality assurance of Access to HE courses through the approved processes of Access validating agencies, in accordance with the structures and mechanisms described in the QAA Recognition Scheme for Access to Higher Education in England, Wales and Northern Ireland (available on the Access to HE website: www.accessstohe.ac.uk/home/publications/default.asp).

From 2008–09, all QAA-recognised Access to HE courses will lead to the award of the Access to Higher Education Diploma and will be identifiable by a qualification title using a standard format: Access to HE Diploma (subject/area of study). This and other requirements are detailed in the Diploma credit and qualification specifications, available from the Access to HE website: www.accessstohe.ac.uk/home/publications/creditspecificationsdraft06/creditspecificationdraft06.pdf.

Under the current legislation (Section 96 of the Learning and Skills Act 2000), 16- to 18-year-old learners enrolled on Access to HE courses are ineligible for public funding as they are not accredited by the QCA nor approved under Section 96 of the Learning and Skills Act 2000.

Access to HE learning aims that are followed for at least 450 glh or more per year have been listed in the companion document Funding Rates at Annex A. All other Access to HE programmes will be treated as unlisted for funding purposes.

Providers are reminded that LSC policy limits public funding for the Diploma to support the number of units required for the award of the Access to HE Diploma, as specified by the rules of combination (that is, to allow learners to achieve the required 60 credits).

In addition to the Access to HE Diploma, a learner’s programme may include other separate and distinct learning provided it is part of a coherent programme of learning and leads to an eligible learning aim.

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.

The LSC is currently in discussion with the QAA with regard to future arrangements for Access to HE provision in the context of the UK VQRP. These discussions will not affect funding arrangements for 2008–09. Further details on the outcomes of these discussions will follow in due course.

Accreditation of prior experience and learning

Accreditation of prior experience and learning (APEL) is a process whereby the learner’s prior knowledge and experience contribute to particular elements of a programme. For an individually listed learning aim, the full value of funding may be claimed when the programme is delivered wholly or partly by APEL, subject to a minimum threshold of 9 glh. This excludes prior certificated learning that exempts the learner from part or all of the learning aim (see paragraphs 212 and 213).

For a learning aim that is unlisted and delivered wholly or partly by APEL, the full unlisted value should be claimed. For example, if a learning aim is usually delivered in 100 glh, but after APEL a learner’s programme consists of only 40 glh, the provider should claim the funding SLN value equivalent to 100 glh.

It would be unusual to gain full certification by APEL, and it is expected that some guided learning would be required. Where colleges and providers are carrying out assessment, for example of employees, leading to the award of an NVQ after little or no guided learning input, this would not be eligible for funding (see paragraphs 233–241).

Further work on the operation of APEL within the context of a unit-based QCF is being taken forward as part of the UK VQRP. For 2008/09 where a learner enrols for a qualification for which they have already achieved some of the credits, the provider is required to reduce the funding claimed in proportion to the credits already achieved (using ILR field A51a).

Advanced Extension Awards

Advanced Extension Awards (AEAs) were introduced as part of the Government’s response to its report Excellence in Cities and available at: www.standards.dfes.gov.uk/local/excellence/index.html and superseded Special Papers. They are intended to challenge the top 10 per cent of learners nationally in each subject. They are not eligible for LSC funding as they require no additional teaching content.

Construction Apprenticeship Scheme

The Construction Industry Training Board (CITB) has established a Construction Apprenticeship Scheme to provide a high-quality route for young people entering the construction industry. For the first phase of the scheme, young people may be enrolled as full-time learners by LSC-funded providers. The learners may either be employed and released to attend the provision, or not be in employment. Providers should ensure that the learners’ programmes lead to appropriate qualifications, normally an NVQ Level 1 plus additional relevant qualifications.

This scheme will be replaced in the longer term by a programme-led pathway.
211 Learners progressing to the next phase of the scheme under Apprenticeship arrangements leading to NVQ Level 2 should be funded as Apprenticeships only through the employer-responsive funding model.

Exemptions

212 A provider may not claim any funding for any part of a learning programme from which a learner is already exempted as a result of previous certification. Colleges and providers are expected to adjust the amount of funding claimed to reflect this Guidance.

213 Specific guidance relates to exemptions from the NVQ for IT Users (ITQ). See paragraph 242.

Free-standing Mathematics qualifications

214 There are 11 free-standing Mathematics qualifications (FSMQs) at foundation, intermediate and advanced levels. Each is a national qualification in its own right, accredited by the QCA. The QCA has confirmed that these awards do not relate to the key skill of Application of Number, and can therefore be funded in addition to the entitlement funding for 16- to 18-year-old learners. FSMQs delivered in glh additional to the learning programme are funded at an SLN rate of 60 glh.

General Certificates in Education in applied subjects

215 General Certificates in Education (GCEs) in applied subjects were introduced in September 2005 to replace the Advanced Vocational Certificate of Education (AVCE). These qualifications have an AS- and A2-level structure comparable to existing GCEs.

General Certificates of Secondary Education

216 The rates for funding for conventional General Certificates of Secondary Education (GCSEs) are available in the companion document Funding Rates and in the LAD.

GCSEs in vocational subjects

217 GCSEs in vocational subjects have been available for teaching from September 2002 and are listed qualifications. It should be noted that separate SLN values apply for students undertaking GCSEs in vocational subjects at Key Stage 4 and for students of post-compulsory school age taking GCSEs in vocational subjects in the adult learner-responsive funding model. GCSEs in vocational subjects will cover Levels 1 and 2 (foundation and intermediate) of the NQF.

218 Vocational GCSEs enable progression to further study at intermediate or advanced level, including, for example, other GCSEs, NVQs and GCEs, in particular those in applied subjects.

GCSEs in vocational subjects are considered equivalent to two GCSEs in terms of size and demand, and this is reflected in the listed SLN funding value for these qualifications.

GCSE (short learning aim) qualifications

220 These qualifications were introduced in September 1996. They are intended to take half the glh of a conventional GCSE qualification. GCSE (short learning aim) qualifications are, therefore, individually listed with an SLN value that reflects the size of these qualifications.

Higher-level programmes for 16- to 18-year-old learners

221 Providers can deliver limited amounts of prescribed HE as part of a full-time Level 3 programme for an individual 16- to 18-year-old learner, and the LSC will fund that HE learning aim, subject to the following conditions.

• The HE provision must fall within either paragraph 1(g) or 1(h) of Schedule 6 to the Education Reform Act 1988. This provision includes vocational courses at Levels 4 and 5, modules of first degrees and components of Higher National Diplomas (HNDs) (but not the full award of degrees or HNDs).

• The HE provision must be a small part of the provision, typically instead of an AS-level, and the young person must be enrolled on a full Level 3 programme including the HE provision.

• Providers must substitute higher-level and more stretching provision in place of courses and qualifications that learners might otherwise pursue. Providers must not deliver HE as additioality to 16- to 18-year-old learners’ programmes. For example, a learner who would normally take five AS-levels in an academic year could take four AS-levels and an HE course, but not five AS-levels and an HE course.

• The provision must involve an appropriate amount of teaching or appropriate distance learning; it would not be acceptable for HE provision to be undertaken purely as private study.

222 One way in which this ability to offer HE qualifications might be used is by pupils doing an Open University (OU) module as part of the Young Applicants in Schools and Colleges Scheme of the OU, but other courses at higher levels are available.

223 OU modules will be funded at a rate consistent with an AS- or A2-level qualification; a 60-point course will attract a full AS- or A2-level funding rate, while 30-point and 10-point courses will be funded at one-half and one-sixth of the AS- or A2-level funding rate respectively.
International Baccalaureate

The LSC advises that for funding purposes the International Baccalaureate (IB) should be regarded as equivalent to four GCE A-levels plus one AS-level studied over two years. Therefore the SLN value for the full qualification is 1,350 glh (excluding entitlement).

Languages

In December 2002, the DfES published Languages for All: Languages for life, which set out the aims and objectives of the National Languages Strategy (NLS), a key objective of which is to:

- increase the number of people studying languages in further and higher education and in work-based training by stimulating demand for language learning, developing Virtual Language Communities and encouraging employers to play their part in supporting language learning.

The LSC is a key partner in taking forward implementation of the NLS. Since the publication of the NLS, the LSC has sought actively to take forward those recommendations where they impact on both the remit of the LSC and the range and nature of the provision it funds, with a specific emphasis on post-16 provision.

The LSC’s vision for languages in support of the implementation of the NLS includes ensuring that high-quality language provision is planned and integrated across the broader delivery framework, including personal and community development learning (PCDL), and that this provision reflects the business need for language skills.

Minimum learning aim duration

The minimum learning aim duration for 16- to 18-year-old learners is 9 glh.

For learners aged 19 and over, the minimum is 9 glh, except for qualifications accredited by the QCA for inclusion in the NQF and approved by the Secretary of State under Section 96 and/or Section 97, for which a 6 glh minimum applies.

The minimum learning aim duration for distance-learning provision for learners aged 19 or over should be equivalent to 9 glh or more.

For more information on the funding of very short (fewer than 9 glh) learning aims, see A Framework for Managing the Balance and Mix of Provision (2007/08), available on the LSC website: www.lsc.gov.uk/providers/funding-policy.

National Occupational Standards Levy

Our Statement of Priorities indicates that that the current National Occupational Standards (NOS) Levy will be withdrawn and replaced with a direct grant to sector skills councils (SSCs) from autumn 2008. The NOS Levy is a charge levied on each NVQ by awarding bodies which is then passed to SSCs to fund NOS development work. Alongside the withdrawal of the Levy there will be a corresponding reduction in the LSC’s grant of £4.5 million from 2008/09 onwards. The DIUS, the Joint Council for Qualifications, the Federation of Awarding Bodies, the QCA and the LSC are working together to ensure that the full value of the cost reduction resulting from the removal of the Levy is passed back to the sector. During 2008/09 the LSC intends to take forward a limited impact assessment, linked to the ongoing fees work, to assess the implications of the removal of the Levy across the sector.

National Vocational Qualifications

The funding rates and the application of the funding formula for NVQs are set out in the companion documents Funding Rates and Funding Formula.

The 16–18 model contains three modes of NVQs. That is, those NVQs delivered:

- entirely on the provider’s premises;
- in the workplace where underpinning knowledge and understanding as well as substantial skills development are delivered by the provider;
- in the workplace where either underpinning knowledge and assessment or substantial skills development are delivered by the provider.

The adult learner-responsive model contains only one mode of NVQ: that is, those NVQs delivered entirely on the provider’s premises. This can include both full-time and part-time delivery, including day release and block release.

The employer-responsive model contains three modes of NVQs. That is, those NVQs delivered:

- within an Apprenticeship framework (of any level);
- within Train to Gain at the higher rate;
- within Train to Gain at the lower rate.

Occupational qualifications (which currently are almost exclusively National Vocational Qualifications), as identified by the LAD, get one of three listed SLN glh values, depending on the main delivery method. If a learning aim in the learner-responsive model is planned over more than 1.5 years then the listed SLN glh value is doubled. In addition, if the delivery method is ‘entirely at the provider’ and the planned glh in the relevant funding
year is less than 450, then the aim is treated as unlisted. Only the first delivery method is available under the adult learner-responsive model, as either of the other two delivery methods would be funded using the employer-responsive model. This is summarised in Table 3 below.

Table 3: Framework of NVQ delivery methods

<table>
<thead>
<tr>
<th>Main delivery method</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All components delivered by the provider, entirely at the provider</td>
<td>SLN Value 1</td>
</tr>
<tr>
<td>IAG, support and assessment plus <strong>either</strong> underpinning knowledge and understanding or substantial skills development</td>
<td>SLN Value 2</td>
</tr>
<tr>
<td>IAG, support and assessment only</td>
<td>SLN Value 3</td>
</tr>
</tbody>
</table>

**Learner-responsive funding models**

238 The maximum funding should be claimed only where a learner is following a full-time qualification that is delivered in 450 glh or more.

239 In determining the appropriate SLN value to be claimed for an individually listed NVQ, colleges and providers should consider the following.

- Which of the three components are delivered by the provider?
- How many glh are delivered? Where the provider delivers all aspects of the NVQ (initial advice, guidance and needs analysis, support and assessment, underpinning knowledge and understanding and substantial skills development) but in fewer than 450 glh, the SLN value must be claimed as unlisted provision in accordance with the actual glh received by the learner.
- What is the length of time over which the programme is delivered?
- Is there an overlap in content with any other NVQ or other qualification that is part of the learner’s programme of study?
- For provision delivered entirely in the workplace, colleges and providers must be able to demonstrate the delivery of actual glh as distinct from work-related supervision.
- For partnership provision, the provider must be able to demonstrate effective control.

- Where a provider is introducing an NVQ for the first time, it should seek the advice of the awarding body and/or other colleges and providers with experience of offering the qualification, in order to establish the appropriate delivery style.

**All funding models**

240 The following notes apply to all listed and unlisted NVQs.

- Learners are expected to undertake only one full-time NVQ programme in a 12-month period unless exceptional circumstances apply.
- Where a learning programme consists of two or more NVQs in the same subject area, colleges and providers should consider any overlap in content when determining the funding claimed for the second and any subsequent NVQ. For 2008/09 the funding should be reduced using ILR field A51a as described in paragraphs 251–255.
- Where support and assessment are provided by a provider, for example to employees, the provision will be eligible for funding if a significant level of support is provided for the programme as a whole, together with assessment. If the provider only provides assessment, this is ineligible for LSC funding.
- LSC funding should not be claimed for learners on NVQ programmes who are not registered with an awarding body.
Assessors and verifiers for NVQs must have obtained the appropriate single-unit qualifications available from a range of awarding bodies. These assessor and verifier (A and V) units replace the 'D' units. Where these qualifications are claimed as part of a learning programme designed to train an individual as an assessor or verifier, the learner should have appropriate experience in their work area before commencing the qualifications. The experience and currency required to assess any NVQ is defined by the 'assessment strategy' that accompanies each NVQ. For example, combining A and V units with diving qualifications below instructor level would be considered inappropriate and would be ineligible for LSC funding.

The regulatory arrangements for the Qualifications and Credit Framework were published on 28 August 2008. Alongside the regulatory arrangements, OfQual has also published details of the requirements that must be met for qualifications that include ‘NVQ’ in the title – Operating rules for using the term ‘NVQ’ in a QCF qualification title. In the QCF a qualification type is defined through a specific and additional set of regulatory requirements that will apply over and above the common requirements for all recognised organisations and accredited qualifications. Where qualification types are established in the QCF, additional requirements will be published separately by OfQual.

National Vocational Qualification for IT Users

The National Vocational Qualification for IT Users (ITQ) is the first suite of NVQs to accept, on the basis of accredited prior achievement, recognised contributing qualifications towards the achievement of the final NVQ. Full details of the structure of the qualifications can be found on the e-skills UK website: www.e-skills.com/ITQ. Paragraphs 251–255 explain how to claim funding where learners have recognised prior attainment.

Prince’s Trust programme

In order to allow for the different numbers of hours that the programme is delivered in, depending on whether the learner is employed or unemployed, both learning aims (one for employed learners, one for unemployed learners) will be funded as unlisted provision. This means that the amount of funding is directly related to the number of glh delivered by the provider.

The qualification will be funded as basic skills, so will attract a programme weighting of 1.4 and a minimum disadvantage uplift of 1.12.

Learner-responsive funding will be claimed by completing an ILR in the usual manner. The key field within the ILR when claiming funding for a qualification that is unlisted is A32: the number of glh in which it is planned to deliver the learning aim.

Funding for the Prince’s Trust programme: unemployed learners

It is expected that the programme will last for 12 weeks and 420 glh. Where this is the case, 420 should be entered in field A32 of the ILR to generate the correct SLN values for 2008/09.

The qualification is subject to the maximum funding per learner per teaching year rule but should not require a manual adjustment in 2008/09 as the qualification is below the annual limit.

The college retention rate should be no more than a maximum of 15 per cent of the total LSC funding. Any retention figure above that level will require the LSC partnership team to seek additional approval from the LSC National Office in collaboration with the Prince’s Trust. For a standard team programme (based on a target mix of 10 unemployed and 2 employed learners), the LSC expects the Prince’s Trust to receive £1,400 for 2008/09.

Funding for the Prince’s Trust programme: employed learners

It is expected that the programme will last for 20 days and 90 glh. Where this is the case, 90 should be entered in field A32 of the ILR to generate the correct SLN values for 2008/09.

Joint learner-responsive and Entry to Employment funding arrangements

Should an E2E learner access another learner-responsive funded Prince’s Trust programme, then a charge of £75 per full week should be levied by the learner-responsive provider on the E2E provider. If this charge is made, then the learner-responsive provider is to reduce its LSC claim by the same amount. This is done using code 00284012 – Prince’s Trust Team Award (E2E Learners Only). The funding rate has been set to ensure that the same learning is not funded twice.

Prior attainment – proportioning of funding using ILR field A51a

Some learners will start learning aims having already attained some parts of the learning aim, most likely through the achievement of other learning aims or units thereof. With the continuing development of unitised qualifications and the QCF this will become even more common. The funding of these learning aims will need to be reduced, using ILR field A51a, in line with the prior attainment to ensure that double funding is not claimed.

In addition, some learning aims will overlap with other learning aims that a learner is studying. In this case, the funding for these learning aims should also be reduced, using ILR field A51a, in line with the degree of overlap to ensure that double funding is not claimed.
Field A51a should be used to reduce the funding for a learning aim that does not require the full level of expected input due to either a curriculum overlap or prior certificated attainment. It is not intended to be used for learners who simply progress through learning aims quicker than other learners.

For QCF learning aims, the value used in A51a should be the remaining credit to achieve the learning aim divided by the credit value of the learning aim.

For non-QCF learning aims, the value used in A51a should be the number of units remaining to achieve the learning aim divided by the minimum number of units required to achieve the learning aim. If recommended glh data is available at unit level, then this can also be used to assess the proportion of the learning, and hence the proportion of funding remaining.

Religious education

The courses approved by the National Accrediting Board of Studies (NABS) remain ineligible for funding for 16- to 18-year-old learners in 2008/09. Religious education courses accredited by the QCA and approved under Section 96 will continue to be eligible.

Re-sits and re-takes

Many learning programmes are designed to enable learners to re-sit examinations and assessments. These will be eligible for LSC funding in proportion to the learning activity given by the provider.

Where a learner fails to complete a learning aim in the expected time span and stays on for additional time to do so, this is not considered to be a re-sit and no further funding should be claimed.

Where a learner re-takes part or all of a learning aim, the provider should claim funding as unlisted provision. The level of funding will be determined by the number of glh delivered on the re-take programme.

Where a learner re-takes part of or all of a learning aim delivered by distance learning, the provider should complete the data collection form and agree a rate with its LSC partnership team. The agreed rate should reflect the level of activity needed to complete the re-take programme.

Short programmes of fewer than 9 glh

Very short learning aims below 9 glh remain ineligible for funding in 2008/09, except learning aims that are:

- approved by the Secretary of State (Sections 96 and 97 of the Learning and Skills Act 2000);
- accredited by Ufi;
- delivered and funded through the PCDL safeguard.

Further details on the criteria for determining the eligibility of short courses is provided in the document Addendum to Statement of Priorities: Aligning Public Funding with Priority Vocational Qualifications in England in 2008/09 (December 2007) on the LSC’s website: www.lsc.gov.uk/providers/funding-policy/strategic-overview/.

Further guidance in relation to very short learning aims related to basic skills is given in Section 6: Skills for Life.

Subsidiary or equivalent learning aims

The LSC will not fund learning aims that are subsidiary to other learning aims in a learning programme within a 12-month period. Learners will not be funded where they are following two different levels of the same subject at the same time. For example, a learning programme comprising GCSE Spanish and AS-level Spanish at the same time within the same 12-month period would not be funded for the subsidiary GCSE learning aim.

TUC learning aims

The DIUS provides additional funding for Trades Union Congress (TUC) learning aims. These have been discussed in relation to the Health and Safety Executive (HSE) Revitalising Health and Safety initiative: www.hse.gov.uk/revitalising/strategy.pdf. These learning aims attract fee remission for learners who would not otherwise be eligible to claim fee remission.

For further details of the eligibility of TUC health and safety learning aims, see the document Addendum to Statement of Priorities: Aligning Public Funding with Priority Vocational Qualifications in England in 2008/09 (see paragraph 262 above).

Unit funding

The LSC no longer funds 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. This has been the case since the beginning of 2007/08 and therefore no carry-over arrangements are needed for learners registered on these units for 2008/09.

Adults (19+ year-olds)

From 2008/09 funding for units delivered to adults will only be available for units of QCF-accredited provision with the exceptions listed below in paragraph 275. Continuing learners from 2007/08 will be funded to the end date of their programme or until 31 July 2009, whichever is sooner. In addition, funding for units will only be permissible as part of the agreed trails for unit-based funding in the QCF.
As part of the implementation of the QCF, the LSC is currently taking forward work around unit-based funding. The LSC is currently in discussions with the DIUS concerning further trials of unit-based funding from 2008 to 2010 as more provision becomes available in the QCF.

The initial extension of trials in addition to the working trials which took place during 2007/08 will support the funding for units to enable learners to incrementally achieve qualifications and better enable progression to further training, learning or employment. In addition, we would expect the extension of unit-based funding trials to also take account of the SSCs’ and employers’ needs for short packages of learning emerging through sector compacts within Train to Gain and through the Skills Pledge. In light of the likely need to further consider the implications of funding units, the approach for 2008/09 will therefore be an interim one. The details of this will be confirmed later in the year. It is anticipated that the interim approach will be based on the principles detailed in the following three paragraphs.

The vast majority of learners in 2008/09 will study on full qualifications. Some may enrol to achieve the qualification over time.

Those learners enrolling on qualifications over more than one year will register for the full qualification and be funded for the learning they will actively undergo in that year, based on the units they plan to complete and achieve.

Where the learning is not planned to lead to a full qualification within the year but the units are part of the rules of combination for a particular qualification, then registration will be for the total planned credit for the units against a new set of unit funding codes. Should the learner later enrol on a qualification that the units and/or credit count towards, then the provider is required to reduce the funding of the qualification accordingly as advised in paragraphs 251–255 on Prior attainment – proportioning of funding using ILR field A51a.

The current codes available on the LAD for units of approved provision in the NQF and non-accredited provision will cease to be available for adult learners from 2008/09. This will affect codes prefixed by the letters ZUNA and ZUNE with the exception of the codes used to record eligible Skills for Life provision. A new set of learning aim codes for QCF units delivered from 2008/09 will be made available on the LAD and will be detailed alongside a comprehensive list of affected codes in Annex H of the 2008/09 ILR Specification, available on the LSC website: www.lsc.gov.uk/providers/Data/Datacollection/ILR.

The ZUNA and ZUNE codes used to record eligible Skills for Life provision are still available to use in 2008/09. It is the intention that Functional Skills awards in English and Mathematics on the QCF will replace the Skills for Life qualifications from 2010. The continuation of these codes will be reviewed during 2008/09 to align and reflect the development and introduction of Functional Skills in English and Mathematics. Funding for NVQ language units approved under Sections 96 and 97 will be unaffected in 2008/09.

The LSC expects learners aged 16–18, either full- or part-time, to receive a substantial programme of study, comprising qualifications approved by the Secretary of State under Section 96.

However, the offer of separate units of qualifications, as opposed to full qualifications, to 16- to 18-year-old learners may be appropriate in certain circumstances, provided that this does not impact on the whole-qualification provision available to such learners, for instance for learners who are classified in the not in education, employment or training (NEET) group. Where appropriate, the LSC may agree to fund such provision on a pilot basis, supported by a robust rationale with clear progression outcomes.

Additional or optional units delivered as part of a full-time 16- to 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.
5: Eligibility Arrangements

Learner Eligibility for Funding

279 Learner eligibility criteria for 2008/09 are consistent across all LSC funding models and stream and the detail of learner eligibility criteria is now set out in the companion document Learner Eligibility Guidance.

280 Providers are required to ensure that all learners for whom they claim LSC funding are eligible under the guidance set out in Learner Eligibility Guidance, which forms part of their compliance with the guidance set out in this document.

281 Providers are reminded that eligibility to participate in a programme should not be confused with the suitability of the programme for a learner’s needs. The LSC expects providers to be able to demonstrate educational progression for learners recruited onto programmes funded by the LSC and to be able to give evidence of good educational reasons for individual learners recruited to non-progression programmes.

Provision for offenders

282 Offenders’ learning and skills is one of the LSC’s key priorities.

283 This overview is being included in this Guidance as the arrangements will impact upon how we expect colleges and other providers to plan to meet the needs of offenders in their locality, particularly those who are serving community sentences and under supervision in the community.

284 The LSC assumed responsibility for planning and funding an integrated Offenders’ Learning and Skills Service (OLASS) across England from 31 July 2006. The OLASS seeks to increase the quality and quantity of learning and skills provision offered to offenders in both custodial and community settings.

285 The service needs to ensure a much greater level of integration of learning and skills provision delivered to offenders in custody and in the community. The service specification, The Offender’s Learning Journey (www.dfes.gov.uk/offenderlearning/index.cfm?flash=1), expects that an offender would be able to commence activities as set out in their agreed learning plan, and to be able to continue or build upon these activities whether in another custodial establishment or as part of a community sentence.

286 The acquisition of learning and skills by offenders, leading to secure and sustained employment, is one of the major contributory factors in reducing re-offending. Skills and qualifications delivered to offenders therefore need to be more closely aligned with the needs of the labour market in the area in which the offender will be resettled.

Securing and developing Offenders’ Learning and Skills Service provision

287 In order to turn the OLASS vision into reality, the LSC is securing provision for offenders through the following methods.

- **For offenders in custody**: the LSC has a specific budget to deliver learning and skills provision to this group. An open and competitive tendering process has identified the providers that will be responsible for this provision.

- **For offenders in the community**: there is a small budget specifically targeted for Skills for Life provision for offenders in the community, and local arrangements to maintain and build upon this provision will continue where they are working effectively.

288 To promote increased access for offenders in the community to Skills for Life provision and to the wider vocational offer, the LSC will increasingly expect its providers to meet the needs of offenders in their locality.

289 The LSC, at a regional and local level, will commission mainstream LSC-funded providers to make provision available for this group, utilising existing LSC funding allocations combined with significant European Social Fund (ESF) funds that have been secured. Locally, the LSC partnership teams will be entering into discussions with FE colleges as to how offender needs can best be addressed.

290 The Learning and Skills Network (LSN) 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.
Provision for offenders on day release from Category D prisons

291 Most Category D (open) prisons allow offenders on day release to attend work or education and training opportunities during the day. Arrangements for allowing Category D prisoners to attend college are in place. The DIUS Offenders’ Learning and Skills Unit (OLSU) has identified funding for learning-support purposes, for example to pay for offenders’ travel and other costs to attend college provision. This group of offender learners is eligible for full fee remission.

Young offenders under supervision in the community

292 The LSC and Youth Justice Board are looking to strengthen learning and skills arrangements for young offenders in the community. In a similar way in which we intend ESF funding to be used to complement mainstream LSC funding, it is envisaged that additional funding will be made available to LSC-commissioned providers that work with young offenders in the community.

Programme Eligibility for Funding

293 This part sets out the general principles of programme eligibility and the types of programme that may be funded by the LSC.

294 Colleges and providers are reminded that they should consider the eligibility of provision for LSC funding while planning provision and before enrolling learners. It is important when considering the eligibility of any provision that colleges and providers work within the intention, spirit and framework of this Guidance.

295 Where a provider intends to deliver provision that is not clearly identifiable within the implied terms of this Guidance, the provider should contact its LSC partnership team, seek written clarification before proceeding and retain evidence of any guidance given. This is especially important where colleges and providers are:

- intending to grow provision outside the NQF, or outside the target and/or priority areas;
- intending to deliver provision leading to external qualifications or externally certificated provision not approved by the Secretary of State as additionality for 16- to 18-year-old learners;
- seeking to maintain a high proportion of provision outside the NQF or which does not directly contribute to targets and/or priorities;
- planning to deliver health and safety, food safety and/or first-aid learning aims as additionality (see paragraphs 323 and 324);
- developing new and/or possibly contentious modes of delivery: for example, delivery via the Internet, delivery in new partnership arrangements with third parties, or provision funded through the approach described in Section 7: Distributed and Electronic Learning.

296 The LSC partnership teams are likely to ensure that the needs of learners in the locality and travel-to-learn area are given the highest priority in terms of institutional planning and provision. Any planned new or increased provision that requires a costing approach as described in Section 7: Distributed and Electronic Learning or is out of area should be discussed with and agreed in advance by the LSC. It is not intended that there will be any restriction on the delivery of provision to learners from other LSC areas where, for example, this reflects travel-to-learn patterns.

297 The LSC takes the view that provision is likely to achieve the best results and be most useful to the learner where there is some form of face-to-face contact, and where opportunities for learners to interact with each other and for peer support are encouraged. Therefore, it is expected that the learner would have access to a physical centre within a reasonable travelling distance. Owing to the nature of distance learning and e-learning, the LSC recognises that the learner would normally access this facility only occasionally and therefore may be prepared to travel a greater distance than would be reflected in normal travel-to-learn patterns.

298 Colleges and providers that deliver electronic and/or distance learning and wish to operate on a wider geographical basis without necessarily providing access to a local support centre will need to make the case to the LSC that their provision satisfies at least one of the following criteria.

- It is specialist or unique provision with limited availability.
- It is of particularly high quality, such as that related to a centre of vocational excellence.
- It is innovative or part of a limited pilot project.

299 In formulating its response, the LSC will consider the position on a regional basis and will agree to provision being delivered nationally only in exceptional cases.

300 The LSC reserves the right to disallow funding claims for ineligible programmes. Colleges and providers should note that the eligibility of provision is subject to review by the LSC.

301 Colleges and providers are reminded that the Learning Aim Database (LAD) provides information about qualifications and provision both within and outside the NQF as well as accredited provision within the Qualifications...
and Credit Framework (QCF). The database should not be used as the sole means of confirming the eligibility of learning aims for LSC funding. It should also be clearly understood that the eligibility of a learning aim on the LAD is not a guarantee of funding.

302 Provision that qualifies under Entry to Employment (E2E) covers quite a range: for example, externally accredited qualifications, non-accredited awards and awards in informal educational settings, such as the Prince’s Trust, Getting Connected and the Duke of Edinburgh Awards. Providers must work with the E2E partnerships in their area and within the guidance of the E2E entitlement curriculum to ensure that programmes are fit for purpose and can support positive progression, and also to make sure that the LSC is aware of the content of their provision.

Funding of Provision

303 The LSC identifies two broad types of provision as eligible for LSC funding.

• Approved qualifications: these are learning aims that lead directly to qualifications accredited by the Qualifications and Curriculum Authority (QCA) for inclusion in the National Qualifications Framework (NQF) or the QCF and approved by the Secretary of State under Section 96 and Section 97 of the Learning and Skills Act 2000. A list of approved qualifications under Section 96 and Section 97 together with their approval start and end dates can be accessed on the DfES website at: www.dfes.gov.uk/section96/ and www.dfes.gov.uk/section97/ respectively.

• Provision outside the NQF and the QCF: these are learning aims that do not lead to approved qualifications as defined above.

304 The LSC has powers to fund a wide range of provision. It will use its powers as flexibly as possible to enable colleges and other providers to meet the targets set out in Our Statement of Priorities and local and regional plans. However, ministers continue to emphasise in subsequent grant letters the expectation that the LSC ‘will give priority to learning aims that lead to nationally recognised qualifications and – more generally – to encourage learning towards recognised qualifications’, in order to equip individuals with the range of skills they need for employability and further progression to higher levels of training.

305 A key focus, therefore, of the strategic dialogue with providers in 2008/09 is the volume, balance, mix and quality of provision. The LSC will want to ensure that the balance and mix of provision continues to align with LSC priorities and targets. In order to achieve this, there continues to be the need both for providers to re-balance the profile of their mix of provision and for a step-change in re-balancing public and private contributions towards the cost of learning so that these better reflect the benefits and financial returns to learners and employers. From 2008/09, the LSC will also expect providers to actively start delivering vocational qualifications accredited within the QCF (where available) as signalled in the Addendum to Statement of Priorities: Aligning Public Funding with Priority Vocational Qualifications in England in 2008/09 (the web link to this document is available in paragraph 262). See also Section 4: Qualifications and Funding, which provides details of UK VQRP. Further guidance on the transition from the NQF to the QCF will be provided in updates to the document and these documents should be regarded as the key sources of information. The eligibility section below will therefore focus solely on NQF provision.

306 Providers should also be aware that as a consequence of the implementation of the QCF the following provision will become ineligible from 2009/10 and further details of specific aims will be provided later this year:

a. predecessor NQF vocational qualifications that have been reformed and replaced by accredited qualifications in the QCF;

b. vocational provision outside and within the NQF that has been identified by sector skills councils (SSCs) within their Sector Qualification Strategy (SQS) action plans and agreed as lower priority provision for funding.

307 As part of UK VQRP, QCA is presently taking forward work with regard to employers and providers being able to offer their own qualifications within the QCF. The outcomes of this work will form the basis of a report to ministers in March 2008 and then decisions will be taken concerning the future development of the employer and provider recognition project. The LSC is supportive of this work and through the National Employer Service (NES) has been working closely with QCA to take forward employer engagement in the recognition project in particular. In terms of eligibility of employer and provider provision accredited into the QCF for public funding, the LSC would expect such provision to be both in response to a gap in provision and aligned with national and/or sector priorities and also to be subject to arrangements for SSC approval of qualifications which are currently being piloted in the UK VQRP. Further guidance on the eligibility of employer and provider provision in the QCF for public funding will be issued following the outcomes of the report to ministers.

Approved Qualifications

308 Qualifications approved for use in England by the Secretary of State under Section 96 and available to eligible learners of above compulsory school age and under 19 are normally eligible for LSC funding. A few approved qualifications may be ineligible for funding.
Qualifications approved by the Secretary of State under Section 97 and available for eligible learners aged 19 and over are also normally eligible for LSC funding. Individual units or modules of these qualifications are eligible for LSC funding for adult learners (that is, aged 19 and over) provided that unit certification is available from the awarding body and a clear rationale for the unitised programme has been established by the provider.

Provision Outside the National Qualifications Framework

Provision that does not consist of approved qualifications (see paragraph 303) may be eligible for funding, apart from ineligible provision identified in paragraph 324.

There are three main types of provision outside the NQF available to all eligible learners over compulsory school age:

a. learning aims that lead to external qualifications or external certificates of attainment not approved by the Secretary of State (for example, locally devised programmes accredited by awarding bodies or external organisations);

b. learning aims that lead to internal qualifications or internal certificates of attainment (for example, college certificated);

c. learning aims with attainment outcomes but with no certification (for example, record of attendance only).

Ministers expect 16- to 18-year-old learners to engage in provision that leads to the achievement of approved qualifications. The DCSF has clarified that for 16- to 18-year-old learners, Section 96 of the Learning and Skills Act 2000 limits the LSC’s powers to fund learning aims defined in category (a). Learning aims defined as category (a) are usually ineligible for funding in addition to the learner’s main programme. However, continued monitoring has highlighted that there are still significant volumes of category (a) activity being delivered as add-on provision. Providers are reminded that the LSC does not expect to fund any provision defined as category (a). It is, however, permissible for colleges and providers to deliver provision defined as category (a) within the entitlement curriculum for full-time 16- to 18-year-old learners.

For learners aged 19 and older, all three categories (a) to (c) may be eligible for LSC funding. However, Section 97 prohibits the LSC from making any payments directly to awarding bodies (or external agencies) in respect of learning aims defined in category (a) (see Section 97, paragraphs (2) (a), (b) and (c); (5); (6) and (7)). In 2008/09, provision outside the NQF will continue to include Access to HE learning aims (see also paragraphs 192–203 in Section 5: Eligibility Arrangements) and higher-level vocational learning aims that have not been approved by the Secretary of State as qualifications. The latter are learning aims that fall outside the schedule of prescribed learning aims of HE as defined in the Education (Prescribed Learning Aims of Higher Education) (Wales) (Amendment) Regulations 1998. They are learning aims that are generally professional, leading to accreditation by a professional body. Part-time certificates in HE are not included.

The LSC has the power under Section 5(d) of the Learning and Skills Act 2000 to fund courses falling within paragraph 1(g) or (h) of Schedule 6 to the Education Reform Act 1988. These include approved qualifications under Sections 96 and 97 of the Learning and Skills Act 2000 at Level 4 and above as well as other higher-level learning aims (externally or internally certificated).

The LSC will work closely with the Higher Education Funding Council for England (HEFCE) to agree joint coherent funding decisions for non-prescribed higher education (higher-level vocational learning and skills) in order to promote a joined-up offer to employers on skills and help contribute to the Level 4 delivery target. We are therefore committed to working with HEFCE and FE institutions and employers to develop new and innovative progression routes and networks that will enable more people to move towards higher levels of learning and skills. The LSC therefore encourages providers to enable progression over time from Level 3 to Level 4 and above.

In addition, sector skills agreements (SSAs) are expected to have some impact on demand for higher-level learning activity in order to meet the full range of skills training required by employers.

LSC Funding Priorities

The LSC regards the funding of qualifications as a key priority in order to meet its challenging Skills for Life and Level 2 Public Service Agreement (PSA) targets and Level 3 targets, as well as meeting its commitment to its other targets in terms of reducing the proportion of young people classified as not in education, employment or training (NEET) and to increase the number of people entering higher education. However, it is recognised that some funding of provision outside the NQF may be appropriate to achieve the LSC’s aim of increasing demand for learning by adults, particularly in the areas of return to learn and ‘stepping-stone’ provision, for example at pre-Entry Level, and in courses that are responsive to employer priorities.
partnership teams will continue to discuss with colleges and providers the types and amount of provision outside the NQF that they will agree to fund. Colleges and providers must discuss any plans to maintain high volumes of provision outside the NQF with the LSC at an early stage. LSC partnership teams will need to be assured that:

- the needs of learners are being properly met;
- there is no alternative appropriate provision available within the NQF;
- there are no adverse implications for the achievement of local targets;
- the provision in question is contributing to priorities.

Colleges and providers are reminded that unhelpful competition should be avoided. Such issues will be considered as part of the provider review process, and LSC partnership teams will discuss the outcomes of this with colleges and providers.

Programmes for Learners with Learning Difficulties and/or Disabilities

The arrangements for this area of provision should ensure that all learners, including those with profound and complex needs, are able to access education and/or training within the context of Learning for Living and Work, the LSC’s strategy for provision for learners with learning difficulties and/or disabilities (published October 2006). The strategy will enable the LSC to fund provision for this group of learners that is learner-centred and cost-effective in the use of LSC funds.

Where possible, the LSC expects programmes to include approved qualifications or, for those aged 19 or over, units of approved qualifications. However, provision outside the NQF may be eligible for funding in agreement with the LSC where programmes or elements of programmes have been specifically designed for learners with learning difficulties and/or disabilities. In order to include all learners and different types of provision and colleges and providers, the determining factors for funding eligibility should relate to the programme, its structure and its delivery.

Ineligible Provision


The following provision is not eligible for LSC funding in the context of the current NQF.

a. Units outside the QCF. This includes programmes made up of units of provision within and outside the NQF, recorded on the LAD using codes prefixed by the letters ZUNA and ZUNE, with the exception of the codes used to record eligible Skills for Life provision.

b. New provision leading to external qualifications or externally certificated provision not approved by the Secretary of State for 16- to 18-year-old learners except when delivered as part of the entitlement curriculum (as specified in paragraph 313).

c. Specific stand-alone learning aims designed to meet employers’ statutory or other responsibilities. These include:

- first aid at work and first-aid provision below Level 2;
- any learning aim in health and safety, food safety and/or first aid that is not approved under Sections 96 and 97;
- other health- and safety-related aims delivered as stand-alone provision for employers, for example manual handling, health and safety in the workplace;
- acquisition of forklift truck and HGV and PSV licences;
- updating of qualifications to comply with health and safety regulations, for example CORGI registration renewal within the NVQ.

d. Very short learning aims of fewer than 9 glh, including any one-day provision delivered without prior local LSC approval at a qualification or aim level. Previous experience suggests that it is very difficult to deliver good-quality provision in one day of fewer than 9 glh and local LSCs will need good evidence that the learner will receive a good-quality programme before authorising any LSC funding for one-day provision.

e. College-devised higher-level provision at notional NQF Levels 4 and 5.

f. Costs related to obtaining membership of professional bodies.

g. Provision that was previously approved under Schedule 2a and 2b to the Further and Higher Education Act 1992.

h. Religious education courses approved by the National Accrediting Board of Studies (NABS) (for 16- to 18-year-old learners).

i. Adult basic education provision (literacy, numeracy and English for speakers of other languages (ESOL)) that was formerly regarded as basic skills.
j. Former ‘proxy’ or ‘legacy’ ESOL qualifications that have been replaced by the new Certificates in ESOL, which are based on the national standards for literacy.

k. Qualifications falling out of approval. The LSC does not expect to fund any enrolments onto qualifications after the approval end date where suitable alternative approved qualifications are available. Any learner enrolment onto a course leading to an approved qualification should be either on or before the last date of approval of that qualification. In addition, the course itself (that is, the teaching and learning, and not just the learner induction) must have commenced before the approval end date. Under exceptional circumstances (that is, where there are no suitable approved qualifications currently available), colleges and providers should first consult their local LSCs to agree appropriate provision eligible for funding that meets identified learner needs and local priorities. However, the LSC will fund continuing learners enrolled on programmes before the approval end date in order to enable them to complete. Where learners are enrolled onto a course leading to a qualification nearing the end of its approval, colleges and providers are reminded that they are responsible for checking qualification availability, final registration and certification end dates with the awarding body.

l. Where there are two or more approved qualifications with the same title from the same awarding body, owing to changes in specifications. The qualification with the old specification is not available for new starters from the date when the new revised specification becomes available.

m. Approved qualifications identified on the LAD as ineligible for funding.

n. Prescribed HE, including:
   - learning aims for the further training of teachers or youth or community workers;
   - postgraduate learning aims;
   - first degree learning aims;
   - learning aims for the Diploma in HE;
   - foundation degrees;
   - learning aims for the Certificate in Education;
   - learning aims for the HND or HNC;
   - learning aims for any diploma awarded by an HE institution.

o. Provision funded under the following schemes, which are fully funded separately:
   - progression programmes for young parents funded through 14–19.

p. Full-cost recovery provision. Colleges and providers are reminded that funding should not be claimed for closed courses run for employees of large employers where the training being provided is highly relevant to core business activities. For this type of training, the guidance on full-cost recovery courses is applicable, and colleges and providers should subject provision to a fundamental test on the displacement of public funding before claiming funding for training activity that was previously funded privately.

q. Company-specific knowledge learning aims.

r. Vendor-certificated courses, unless they are approved qualifications or are embedded within and contribute directly towards the generic learning required to achieve an approved qualification. Examples of vendor certificates include those of information technology companies that are specific to those companies’ own products and services. Therefore, learners following an NVQ for IT Users, for example, may use the learning associated with a vendor’s products in order to achieve their qualifications. Vendor-certificated courses may form part of the enrichment activities included within 16- to 18-year-old full-time learners’ entitlement.

s. Primary and advanced driving skills (for example, defensive driving) or piloting skills.

t. Inward collaborative provision.

u. Any other learning aims that are considered to be fully funded from other sources.

### Types of Delivery

#### Direct and partnership provision

325 Providers engaging with partner providers to assist in their delivery of LSC-funded provision should refer to the companion document [ILR Funding Compliance Advice and Audit Guidance for Providers](#), and in particular Section 3: Advice on Provision Delivered with a Partner Provider. This document gives comprehensive advice on the wide variety of partnership arrangements and delivery arrangements that already exist within LSC-funded programmes.
The aim of partnerships is to provide good-quality learning that meets local and national priorities. It can extend the range of learning in areas that LSC providers are unable to offer. For 2008/09, no specific figure is mentioned as a volume of partnership activity, but colleges and providers are advised that the level of partnership activity they undertake will significantly affect their LSC risk assessment in determining their level of funding audits. Colleges and providers with the highest levels of partnership activity are likely to face the shortest cycle of funding audits.

The LSC has noticed that growth in partnership, sub-contracted or franchise provision in a small number of colleges has caused them difficulties in evidencing the control of their partnership provision and the regularity of their provision. The LSC sees the delivery location postcode, field A23, as the key field on the ILR that will identify to colleges and to their LSC partnership team the higher-risk elements of a college’s provision.

In this context, colleges and providers are reminded of the need to consult their LSC partnership team prior to developing any new partnership, sub-contracted or franchise arrangements and the need now to declare the delivery location postcode, field A23, on their ILR returns. This includes any partnership arrangement where a third party is paid a fee by the college for finding or enrolling learners. Colleges and providers should not use any complexities in the definition of the difference between franchising and partner-assisted delivery to avoid the need to consult their LSC partnership team over provision delivered with partners.

Partnerships will be built into LSC providers’ plans where the aim is to develop long-term, stable relationships between the provider and the partner. The provider has a duty to build capacity within its partners by supporting professional and organisational development with them.

In addition to the normal data on partnership provision that providers already record within the ILR and the partner register, the annual self-declaration of partnership provision contained within ILR Funding Claims and Audit Returns will also need to be returned to the LSC partnership team. This will include:

- details of who the partners are;
- details of what provision the partners are providing, and how it fits the LSC’s priorities;
- details of out-of-area provision to include learning aims delivered, number of learners and the amount of funding, and confirmation of agreement from the LSCs involved;
- details of the levels of top-slicing the providers are retaining.

The LSC expects the amount of funding retained by providers to be proportionate to the costs they incur in the delivery of the provision and to take account of the actual costs incurred by their partner providers in delivering any programmes to learners.

The determination of the partnership definition should now be addressed as part of the provider’s planning dialogue with their local LSC. This should also take into account the fundamental principles of funding learning set out in paragraphs 20 and 21.

**High-risk provision**

The LSC does not want to stifle innovation and new ventures. However, some provision, including certain partnership arrangements for the delivery of the provision, raises potential issues of eligibility and/or regularity. Care is required to ensure that full compliance with funding and eligibility criteria can be demonstrated by:

- staffing-agency or secondment arrangements, particularly when teaching on the agency’s own premises or premises supplied by the organisation supplying the seconded staff;
- voluntary tutors who teach in their own workplace, particularly during their normal working time;
- ICT centres operated in partnership with third-party companies that offer a restricted curriculum;
- provision claimed using the costing approach described in Section 7: Distributed and Electronic Learning, that either involves a franchise, sub-contracted or partner organisation or where a significant number of learners are outside the provider’s normal recruitment area.

The LSC would be particularly concerned about new, previously unplanned partnerships entered into in the spring or summer term where the motivation is to make up a shortfall of activity.

Colleges and providers wishing to deliver learning aims online via the Internet, or to enter into partnership arrangements below the black line in Table 1 of ILR Funding Compliance Advice and Audit Guidance for Providers, should contact their local LSC in advance of the delivery of provision. Where a provider fails to do so, the risk that the LSC may subsequently not fund the provision is much higher.

**Learning Associated with Employment**

**Length of programmes delivered in the workplace**

In the case of programmes provided in the workplace, the maximum length of delivery of such programmes will normally be 329 glh a year. This includes learning aims delivered by the accreditation of prior learning or by distance learning, and provision for learners with learning...
difficulties and/or disabilities, or the equivalent, delivered in the workplace. This is based on the rationale that it is unlikely for the number of hours spent in training in the workplace, which should be clearly separate from normal working activity, to exceed a total of 329 glh in a normal working year.

**Full-time employees**

An individual cannot reasonably be considered to be in both full-time education and full-time employment at one and the same time. The LSC does not expect to fund learners on a full-time programme of study who are also employed on a full-time basis.

- Provision that qualifies under E2E covers quite a range, for example: externally accredited qualifications, non-accredited awards and awards in informal educational settings, such as the Prince’s Trust, Getting Connected and the Duke of Edinburgh Awards. Providers must work with the E2E partnerships in their area and within the guidance of the E2E entitlement curriculum to ensure that programmes are fit for purpose and can support positive progression, and also to make sure that the LSC is aware of the content of their provision.
6: Skills for Life (Including Basic Skills), Key Skills and Entitlement Funding

Skills for Life Provision

338 This section outlines the policy background and funding guidance relating to the literacy, numeracy and ESOL provision that is defined as Skills for Life.

Key priority

339 Improving the basic skills of the nation continues to be a key priority for the Government with the target of 95 per cent of adults to achieve the basic skills of functional literacy and functional numeracy by 2020.

340 To meet this ambition the Secretary of State makes clear in the LSC’s 2008-09 grant letter that the LSC must support a significant increase in the number of adults participating in and achieving a first literacy and numeracy qualification at the Leitch threshold levels, in order to meet the interim target of:

- 597,000 people of working age to achieve a first Level 1 or above literacy qualification, and
- 390,000 to achieve a first Entry Level 3 or above numeracy qualification by July 2011.

341 To reflect this ambition the LSC must continue to prioritise funding to meet the skills needs of those most at risk of disadvantage and the priority groups identified in the original strategy. The Skills for Life 80:20 policy outlined in the LSC’s A Framework for Managing the Balance and Mix of Provision (2007/08) is still relevant and providers should refer to this when planning for provision in 2008/09.

Skills for Life: adult literacy, numeracy and language (ESOL) provision

342 Skills for Life: The national strategy for improving adult literacy and numeracy (DfES, 2001) (available at: www.dfes.gov.uk/readwriteplus/Skills_for_Life_policy_documents) carried forward the approach adopted by the Government in the schools sector, where the literacy and numeracy strategy covers all aspects of these skills, including communications and Mathematics. In this context, ‘literacy and numeracy’ is the generic term for all related activity. In 2008/09 Skills for Life covers and includes the following provision:

- nationally-approved Certificates in Adult Literacy, Numeracy and ESOL Skills for Life at Entry Levels 1, 2 and 3 and at Levels 1 and 2;
- GCSE Mathematics and GCSE English;
- key skills qualifications in Application of Number and Communication at Levels 1 and 2;
- non-approved basic skills learning aims (based on the national standards and curriculum for adult literacy, ESOL or numeracy) at Entry Level and pre-Entry Level; and
- awards in Functional Skills English and Mathematics at Entry Level, Levels 1 and 2. These awards have been developed recently and are currently being trialled, see paragraphs 364–368 for further details.

343 Colleges and providers should ensure that learners are enrolled on learning aims that are appropriate to their needs and are aiming to improve their skills to a level above their current attainment. For example, prior to enrolment onto basic skills learning aims, learners should have a demonstrable need for this provision, shown, for instance, by previous educational attainment or through initial guidance and assessment.

Funding adult literacy, numeracy and language (ESOL) provision

344 The LSC’s funding approach to eligible basic skills learning aims in 2008/09 will include:

- programme weighting of at least 1.4 to ensure that funding has increased in line with other funding rates;
- a disadvantage uplift of 12 per cent, applied to all eligible basic skills learners.

345 Eligible basic skills provision will therefore be funded at a level that is more than 40 per cent higher than learning aims of a comparable size in other curriculum areas (with a programme weighting of 1.0).
Approved qualifications: a key priority in 2008/09

346 The LSC regards the funding of approved qualifications (that is, those accredited by the QCA and approved by the Secretary of State) as a key priority in order to meet its priorities and challenging targets.

347 For funding purposes, the following provision will be funded as basic skills and attract the relevant uplifts described in paragraph 344.

- Certificates in Adult Literacy, Numeracy and ESOL Skills for Life at Entry Level, Level 1 and Level 2 where the qualifications have been approved by the Secretary of State under Sections 96 and 97 of the Learning and Skills Act 2000.

- Key skills qualifications in Application of Number and Communication at Levels 1 and 2 for learners aged 19 or over, and for those learners aged 16–18 who are following a part-time programme.

- Non-approved basic skills learning aims (based on the national standards and curriculum for adult literacy, ESOL or numeracy) at Entry Level and pre-Entry Level.

348 It is the LSC’s intention to increase the take-up of approved Skills for Life qualifications and, in line with our policy on the mix and balance of provision, we expect providers to convert their non-approved provision at Levels 1 and 2 to approved qualifications. Consequently, non-approved literacy, numeracy and ESOL learning aims at Levels 1 and 2 are not eligible for funding as basic skills (programme weighting F = 1.4) and will not be included in the Skills for Life offer. 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. Such provision will not attract automatic fee remission.

349 There are no changes to funding arrangements for Entry and pre-Entry Level Skills for Life provision in literacy or numeracy. At Entry Level, both nationally approved and non-approved aims (where the latter are based on the national standards for adult literacy and numeracy) will continue to be funded as basic skills. At pre-Entry Level, provision based on the Skills for Life pre-Entry Level Curriculum Framework will continue to be eligible for funding as previously.

350 In 2008/09, colleges and providers are expected to review the balance and mix of their provision to reflect the LSC’s priorities and targets and providers are expected to continue to offer an increasing proportion of approved qualifications at Entry Level. The LSC will expect provider discussions to consider an appropriate balance that meets local needs but also encourages greater participation in approved qualifications. The LSC will be working to a position where 80 per cent of all Entry Level enrolments across an LSC region are onto nationally approved qualifications and only 20 per cent are onto non-approved aims.

351 Non-approved pre-Entry and Entry Level provision outside the NQF should be used only when assessment indicates that the learner is unlikely to be ready to take an approved qualification at the end of the programme, and/or where the main purpose of the learning provision is to engage learners from hard-to-reach priority groups. However, learners’ abilities should not be underestimated. If it later becomes apparent that a learner could gain a qualification, the provider should transfer the learner to a nationally approved qualification and record this on their ILR return, using the relevant national qualification learning aim reference code.

ESOL provision

352 ESOL provision will no longer attract automatic fee remission at any level, whether approved or not. Learners will be expected to pay the assumed fee (42.5 per cent of the unweighted national funding rate) unless they are eligible for fee remission in the usual way, for example, in receipt of an income-based benefit. Providers should refer to Section 4 of the companion document Learner Eligibility Guidance for further advice on fees and fee remission. However, approved ESOL Skills for Life qualifications at all levels (that is, Entry Level and Levels 1 and 2) and non-approved pre-Entry Level and Entry Level ESOL Skills for Life provision will continue to attract a programme weighting of 1.4.

353 In 2007/08 £4.6 million was added to the discretionary learner support funding to support vulnerable ESOL learners, including spouses, and low-paid workers. Further information will follow as to whether this additional funding will continue for 2008/09.

ESOL for Work

354 As signalled in Our Statement of Priorities, new qualifications have been developed in ESOL to support a shorter, more job-focused, practical approach to English language skills. These new ESOL for Work qualifications do not form part of the Skills for Life offer, but are eligible for funding at programme weighting A (1.0). The appropriate listed SLN values are published in the LAD and the provision is subject to the standard assumed tuition fee element.

International ESOL

355 In addition to the ESOL for Work qualifications referred to above, there is also a suite of international ESOL qualifications. These qualifications are different from ESOL for Work and are intended primarily for the overseas market and for those who want or need an internationally recognised qualification. They are ineligible for public funding and providers will be expected to charge the full...
cost; this includes from 2008/09 the newly accredited International English Language Testing System (IELTS) qualification.

Skills for Life PSA target

356 The Government has responded to Lord Leitch’s review of skills and set a new target of 95 per cent of adults to achieve the basic skills of functional literacy (at Level 1) and functional numeracy (at Entry Level 3) by 2020. The LSC will still calculate learner achievements that contribute to the 2010 target in accordance with previous guidance.

357 For the Leitch 2020 Skills for Life PSA target, when a learner achieves one of the following qualifications, they will continue to count to the target.

Literacy target
- GCSE English (D–G = Level 1);
- key skills in Communication (Level 1);
- Certificate in Adult Literacy (Level 1);
- Certificate in ESOL Skills for Life (Level 1);
- award in Functional Skills English (Level 1).

Numeracy target
- Certificate in Adult Numeracy (Entry Level 3);
- award in Functional Skills Mathematics (Entry Level 3).

358 In summary, Table 4 sets out the provision defined as Skills for Life provision, it highlights the learning aims that are eligible for funding at the basic skills programme weighting (1.4), and those that are eligible for automatic fee remission and those that count towards the new Leitch target.

Basic skills learners and disadvantage uplift

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

360 The disadvantage uplift is applied to the learner, and therefore affects all the learning aims within a learning programme. In this document, Annex B: Determining When a Basic Skills Learner is Entitled to the Disadvantage Uplift gives detailed guidance to help colleges and providers determine when a basic skills learner becomes eligible for the disadvantage uplift.

Very short (3 and 6 glh) Skills for Life learning aims

361 As outlined in Priorities for Success, from August 2006 the LSC will not fund enrolments onto very short 3- and 6 glh Skills for Life courses that are used to deliver taster sessions and diagnostic programmes. Colleges and providers should manage appropriate learner assessment in the same way as for other learning provision, through existing pre-course guidance, enrolment and on-course induction processes, and to incorporate diagnostic assessments into longer programmes for learners.

Funding embedded basic skills provision

362 Each of the vocational and basic skills learning aims delivered as part of an embedded or integrated programme will be funded at the appropriate rate. Further guidance on funding and recording the delivery of embedded literacy, numeracy or ESOL provision can be found in this document in Annex C: Funding the Embedded Delivery of Basic Skills Provision.

External candidates taking adult literacy, numeracy and language (ESOL) qualifications

363 The LSC does not fund external candidates to take stand-alone tests in adult literacy, numeracy or ESOL Skills for Life. Providers that continue to offer stand-alone tests may charge candidates a fee for this service.

Functional Skills

364 Following the 14–19 Education and Skills White Paper in February 2005 and the Skills White Paper (March 2005), the then Department for Education and Skills (DfES) gave the QCA a remit to develop Functional Skills in English, ICT and Mathematics.

365 A two-year piloting of Functional Skills qualifications started in September 2007. The final qualifications in English and ICT will be introduced for first teaching in 2009 and in Mathematics in 2010.

366 It is the expectation that the Functional Skills will replace the main key skills (Communication, Application of Number and ICT) once they are fully introduced from 2010 and may replace the Skills for Life Certificates in Adult Literacy and Numeracy.

367 For all 16–18 and adult learner-responsive funded provision, the funding for Functional Skills is included within the agreed 2008/09 allocations.

368 Where a learner achieves an award in Functional Skills English or Mathematics as a free-standing qualification, that is, has achieved this qualification but no other Skills for Life qualification, then that achievement will be included in the count towards the 2010 PSA target and 2020 Leitch targets.
### Table 4: Skills for Life learning aims

<table>
<thead>
<tr>
<th></th>
<th>Funded at basic skills programme weighting 1.4</th>
<th>Automatic fee remission</th>
<th>Counts towards Leitch target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationally approved Certificate in Adult Literacy</td>
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<tr>
<td>Entry Level</td>
<td>√</td>
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<tr>
<td>Level 1</td>
<td>√</td>
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<tr>
<td>Level 2</td>
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<td>x*</td>
<td></td>
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<tr>
<td>Nationally approved Certificate in Adult Numeracy</td>
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<td></td>
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<tr>
<td>Entry Level</td>
<td>√</td>
<td>√</td>
<td>(when achieved at E3)</td>
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<tr>
<td>Level 1</td>
<td>√</td>
<td>√</td>
<td>x*</td>
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<tr>
<td>Level 2</td>
<td>√</td>
<td>x*</td>
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<tr>
<td>Nationally approved Certificate in ESOL Skills for Life</td>
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<tr>
<td>Entry Level</td>
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<td>Level 1</td>
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<td>Level 2</td>
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<tr>
<td>Key skills in Application of Number</td>
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<td>Level 1</td>
<td>√</td>
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<td>x*</td>
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<tr>
<td>Level 2</td>
<td>√</td>
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<tr>
<td>Key skills in Communication</td>
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<td>Level 1</td>
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<td>Level 2</td>
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<td>GCSE English</td>
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<td>(A*–C) = Level 2</td>
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<td>x*</td>
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<tr>
<td>(D–G) = Level 1</td>
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<tr>
<td>(D–G) = Level 1</td>
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<tr>
<td>Non-approved pre-Entry and Entry Level literacy and numeracy learning aims</td>
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<tr>
<td>(based on the national standards and curriculum for adult literacy and numeracy)</td>
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<tr>
<td>Non-approved pre-Entry and Entry Level ESOL learning aims</td>
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<td>(based on the national standards for adult literacy and ESOL curriculum)</td>
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<tr>
<td>Award in Functional Skills – English</td>
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<td>(only available through trials)</td>
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<tr>
<td>Entry Level</td>
<td>√</td>
<td>√</td>
<td>x</td>
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<td>Level 1</td>
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<td>Level 2</td>
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<td>(only available through trials)</td>
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<tr>
<td>Entry Level</td>
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<td>√</td>
<td>(when achieved as a stand-alone qualification at E3)</td>
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<tr>
<td>Level 1</td>
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<td>√</td>
<td>x*</td>
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<tr>
<td>Level 2</td>
<td>√</td>
<td>x*</td>
<td></td>
</tr>
</tbody>
</table>

Key: √ = applies  x = does not apply

*Learners who are assessed as being below the Leitch functional skills threshold (below Level 1 in literacy and below Entry Level 3 in numeracy) and who achieve a higher-level qualification will be included in the count towards the Leitch target.*
Key Skills

369 Ministers’ expectations are that learners who have not achieved Mathematics, English or IT at GCSE grades A*–C are expected to aim to achieve the appropriate key skills qualifications. These are Application of Number, Communication and IT. In addition, learners commencing Level 3 programmes of study with the aim of pursuing a further professional or higher qualification should be supported by colleges and providers in gaining at least one relevant key skills qualification at Level 3. Awarding bodies offering these qualifications are identified in the Section 96 list, under ‘Key skills’.

370 For 16- to 18-year-old full-time learners, the SLN values for the key skills of Communication, Application of Number and IT are no longer incorporated within the funding for entitlement.

371 Funding is available for key skills qualifications at a listed rate for all part-time learners aged 16–18 and learners over 19. The basic skills programme-weighting in relation to key skills is shown in Table 4.

372 The LSC, in line with ministers’ priorities, encourages colleges and providers to enable learners to progress towards appropriate key skills levels throughout the whole of their programme. However, the LSC accepts that, within a multi-year programme, the needs of the learner may in some cases require, for example, the delivery of key skills early in the programme and enrichment later in the programme.

Wider key skills

373 The three wider key skills at Levels 1 to 4 (working with others, improving own learning and performance, and problem-solving) are separately fundable as unlisted provision.

374 Funding may be claimed for the wider key skills in addition to the entitlement funding, provided that additional glh are delivered at the appropriate level. However, the wider key skills qualifications may also be delivered as enrichment activity, in which case no additional funding should be claimed.

Key skills look-alike list

375 Key skills ‘look-alikes’ are learning aims that the LSC considers demonstrate content similar to the key skills of Communication, Application of Number and IT. Key skills look-alike qualifications are ineligible for funding where a candidate is aged between 16 and 18 and is being funded for the entitlement curriculum. In addition, no further funding will be available for such learners if they are enrolled on provider-certificated or non-certificated provision in literacy, numeracy or IT at the same level as the QCA key skills qualification that they are aiming to achieve.

376 Colleges and providers are advised to seek guidance from their LSC partnership team if they are unsure whether a qualification has content that overlaps with one of the key skills qualifications. The LSC has decided to remove the examples of look-alike qualifications that were published on its website because they do not form a definitive list of ineligible qualifications.

377 Look-alike qualifications are not proxies for any of the key skills qualifications and therefore do not provide exemption from any aspects of the key skills qualifications.

Proxy qualifications

378 The QCA has published a list of proxy qualifications on its website: www.qca.org.uk/qca_6561.aspx. Proxy qualifications are those qualifications that have been agreed to assess the same knowledge and skills as aspects of the key skills. As a result of this overlap, candidates can claim exemption from parts of the key skills where they are able to provide proof of achievement of the proxy qualification.

379 Only qualifications that appear on the QCA list have been mapped for the type of overlap required and can guarantee that the candidate has been assessed in the appropriate knowledge and skills.

380 Where learners study proxy qualifications instead of the relevant key skills qualifications, funding should only be claimed where the proxy qualifications are additional to any claimed key skill funding and are delivered in additional glh.

Entitlement Curriculum

381 The LSC expects that the entitlement curriculum will include regular tutorials and enrichment activities, which will be delivered in an appropriate number of glh that are additional to the other learning aims within the learner’s programme. The glh for both the tutorial and any enrichment activity should be included within the learner’s ILR.

Learners eligible for entitlement

382 Learners for whom entitlement funding may be claimed must be:

• aged under 19 on 31 August in the teaching year in which they start their programme of study;

• studying on a full-time basis, as defined in this document in Section 3: Definitions and Terminology.

383 In line with ministers’ expectations, learners are expected to be:

• aiming to achieve any of the relevant QCA key skills qualifications at Level 2 (Communication, Application of Number and/or IT) that they have not already achieved.
at GCSE grades A*-C or equivalent. This implies that learners are expected to register with the awarding body, take the end test and submit their portfolio for each key skill taken. Learners studying GCSEs in appropriate subjects are exempt from this requirement;

- aiming to achieve one relevant Level 3 key skills qualification if the intention is for the learner to pursue a professional or higher qualification;

- undertaking some key skills learning as part of the overall entitlement package where government expectations outlined above have already been met.

Basic skills delivered within the entitlement

Delivering basic skills to full-time learners aged 16–18

While it is still ministers’ expectations that the clear majority of full-time 16- to 18-year-old learners should be undertaking the relevant key skills qualifications, the LSC acknowledges that, for a small minority of these learners, basic skills qualifications (that is, the Certificates in Adult Literacy and Adult Numeracy) may be more appropriate as an initial aim. In such cases, learners who undertake the Certificates in Adult Literacy or Adult Numeracy will continue to be eligible for funding.

Where a learner has learning difficulties and/or disabilities that make the QCA key skills qualifications inappropriate, colleges and providers may still claim funding if the learner is enrolled on appropriate Entry Level alternatives, for example, Entry Level Certificate in Adult Literacy or Adult Numeracy.

In addition to the learners described in the above paragraph, there may be other learners who would not normally be identified as having learning difficulties and/or disabilities, but for whom the achievement of the key skills qualification in Communication or Application of Number is shown, after appropriate diagnostic assessment, to be an unrealistic aim.

Where learners have identified basic skills needs at Entry Level (and in exceptional cases at Level 1 or Level 2) and diagnostic assessment indicates that it is more appropriate for them to register for approved qualification alternatives to key skills – that is, the Certificates in Adult Literacy or Adult Numeracy at Entry Level (or, in exceptional circumstances at Level 1 or Level 2) – these qualifications may be funded.

However, it is not intended that full-time learners who study basic skills as an alternative to key skills should be counted as basic skills learners. This would apply even if the basic skills alternative were 80 glh or more. Therefore, the disadvantage uplift for basic skills learners should not apply in these situations.

**Additional learning support for full-time learners on entitlement programmes**

389 Colleges and providers may not claim funding through the additional learning support (ALS) mechanism in respect of basic skills support for learners who are already enrolled on literacy, numeracy or language (ESOL) learning aims. Please refer to Sections 12 and 13 of this document for further clarification on ALS.

**Enrichment**

390 Some examples of appropriate enrichment activities are:

a. learning aims that lead to external qualifications or external certificates of attainment not approved by the Secretary of State: for example, Open College Network provision, Young Enterprise and Duke of Edinburgh awards;

b. careers guidance;

c. sports;

d. music, dance and drama;

e. industry-related programmes, including vendor-certificated courses such as those offered by IT companies (for example, CISCO, Microsoft or Novell);

f. health education;

g. use of learning resource centres.

Part-time jobs undertaken by learners cannot be considered as eligible for funding as enrichment activities under the entitlement, except in exceptional circumstances. Work experience will be considered as an enrichment activity only where this is undertaken within a structured approach with some tutor input. Conversely, where work experience is provided as a mandatory element of a qualification, it is deemed to be part of the main qualification and should not be considered as an enrichment activity.

**Funding entitlement**

392 Funding may be claimed for tutorial and enrichment entitlement in each year of study. This funding will be listed and, together with an additional separately funded key skill, reflects its broad equivalence to the teaching time expected for a GCE AS-level over one year.

393 The funding of the entitlement includes fee remission and is therefore paid at the full national rate.

394 For 16- to 18-year-old full-time learners, guidance, tutorial skills and study skills are included in the entitlement and will not attract additional funding.
7: Distributed and Electronic Learning

The LSC’s Approach

395 The Distributed and Electronic Learning Group (DELG) was established by the LSC in 2001 to provide advice on a range of issues with this type of learning, including funding. It considered a range of aspects of delivering distributed and electronic learning (DEL) and received evidence from a wide range of contributors. The Report of the Learning and Skills Council’s Distributed and Electronic Learning Group (referred to hereafter as the DELG report, published in September 2002) is available on the LSC’s website at: http://readingroom.lsc.gov.uk/pre2005/learningopportunities/ict/delg-report.pdf.

396 The DELG report recommended that the funding of DEL should, as far as possible, be the same as for more traditional learning. This has been accepted by the LSC and was implemented from 2003/04. This may be achieved by a process of costing provision and agreeing the appropriate funding rate with the provider’s LSC partnership team. The process is described in detail in paragraphs 413–432 but providers delivering listed provision to learners within their agreed LSC partnership team defined local area claiming listed rates are not required to return the distance learning cost form to their LSC partnership team.

397 The LSC has published guidance on the definition of the normal recruitment area of a provider in Section 3 of the companion document ILR Funding Compliance Advice and Audit Guidance for Providers. Paragraph 72 states that an LSC partnership team will usually regard activity delivered outside its own LSC area, or an adjacent LSC area, as out-of-area activity. This definition may be varied more tightly or loosely by LSC partnership teams, depending on the provider location, and each LSC partnership team can help providers to agree a reasonable definition of their normal recruitment area. It is the responsibility of providers to check with their own LSC partnership team that it is content to fund any activity outside that LSC partnership team’s area. Providers that have agreed this area with their LSC partnership team can save themselves the bureaucracy involved in completing the distance learning cost form for local learners on listed provision as the LSC is content to fund them on the listed mode-free basis. Claims above listed SLN values should not be made in 2008/09.

Definition of Distributed and Electronic Learning

Distance learning

398 The following definitions provide further detail and explanation to those included in Section 3 of this Guidance.

399 Distance learning is defined as delivery in which learners use specially prepared learning materials for their private study and are provided with active tutor support by suitably qualified staff. This enables learners to achieve the qualification or, in the case of non-certificated or accredited learning aims, the intended outcome. Distance learners are typically based at work or at home and have only occasional person-to-person contact with the provider, which typically may be by telephone or email.

400 Distance learning involves a substantial amount of self-directed learning. The learning materials and the support may be provided by paper-based correspondence, by videotape or audiotape, or by accessing electronic materials online via the Internet or supplied on other media. The definition of distance learning does not include learning workshops, open access and/or drop-in centres where the provider provides learning support and counselling facilities, together with access to materials and resources.

401 A distance-learning programme should include all the following elements, in addition to the learning materials:

- initial assessment to ensure that the programme and the mode of delivery are appropriate to the needs of the learner;
- induction;
- specialist tutor support;
- technician support where appropriate;
- counselling and guidance;
- additional learning support (ALS) where necessary and appropriate;
- clear identification of the delivery method in the programme literature and the learning agreement.
Distance learning offers flexibility to learners in the timing and location of study. There is considerable evidence to suggest that learners find it more difficult to achieve their learning goals using this approach unless they are very actively supported. The support should include a robust marking and comments service for their work, which may be in electronic form or on paper. It is expected that the marking and comments service should be provided by suitably qualified subject tutors, who are additionally trained to support distance learners.

The marking service provided should include feedback on the programme content and assignments, and on the learner’s literacy, numeracy and language skills where appropriate. Given the limited opportunities for oral and other informal interaction with learners, the feedback should be robust; that is, specific, detailed and focused on improvement. Feedback or formative assessment that is no more than an administrative process (for instance, online assessment tools, scoring multiple-choice answer sheets or completing a pro-forma marking template) will not meet the criteria for a robust written comments service. The tutor support may be provided face-to-face, on an individual basis or in a group; or by telephone, email, videoconferencing or other electronic means.

e-learning

E-learning is learning that involves a substantial amount of ICT, such as using computers and the Internet.

Open learning

The term ‘open learning’ covers those forms of delivery that take place in learning workshops, open access and/or drop-in centres where the provider provides learning support and counselling facilities, together with access to materials and resources. Open-learning programmes are taught with specially prepared learning materials for private study, and provide a marking and comment service for written work. Learners on open-learning programmes usually proceed through their programmes at a pace and in a sequence that suit their individual needs. The programme would normally be accompanied by some guidance and/or tutorial support. The term ‘open learning’ is not intended to apply to situations in which study is essentially based at home or remotely and there is only occasional contact with the provider.

Colleges and providers should be realistic in the length of time assigned to a particular learning aim delivered by open learning. For example, for a learning aim that is normally delivered in 120 glh in a traditional setting, the provider should not seek to require learners to adopt an unreasonable attendance pattern that they are unlikely to achieve, and which does not necessarily meet their individual needs. It would be inappropriate for the provider to assign a notional study pattern of, say, 6 hours a week for 20 weeks and then to claim 120 glh regardless of the learner’s actual attendance.

Colleges and providers should give particular attention to retention and achievement in this type of provision. The LSC may decline to fund programmes that constantly have very poor achievement or retention rates.

Colleges and providers should claim the national rates for both listed and unlisted learning aims, as shown in the companion document Funding Rates, Annex A, for provision delivered using open-learning methods.

Blended learning

The term ‘blended learning’ describes a mix of learning-delivery methods, which includes some traditional learning, combined with distance, open and/or e-learning in a variety of proportions. Traditional learning approaches typically involve a group of learners starting and finishing together in time and at a particular physical location. Lecturers are responsible for the transmission of a sequence of study elements through direct contact with learners using oral and written communication.

Evidence from inspection and elsewhere strongly suggests that distance learning is more effective when combined with some whole-group activity. Tutor and peer support have been identified as factors that aid retention and achievement. Conversely, low retention and achievement rates have been shown to be associated with programmes delivered exclusively by distance-learning methods.

Distributed and Electronic Learning Group Report

The DELG report considered the approach to the funding of DEL. It made a number of recommendations, but in essence these are as follows.

- The delivery of DEL is different from traditional methods, but the funding of provision should be mode-free and should neither encourage nor discourage DEL.
- Capacity building, including capital costs and the training of staff, should be separate and not formula-driven, as initial costs are unusually high for e-learning.

The funding of DEL will therefore follow the LSC general approach for funding; that is, funding rates are based on the costs necessarily incurred in the delivery of the learning aim. In general the LSC uses guided learning hours (glh) as a proxy for costs in determining funding values and rates.

Funding Distributed and Electronic Learning

In funding DEL, colleges and providers are now required to estimate the costs of delivering unlisted learning aims, which should be approved by their LSC partnership team before learners are enrolled. The LSC partnership team will include checks on the plausibility of estimated costs in the approval process.
The approach to funding DEL will require colleges and providers to use a data collection and costs form to advise their LSC partnership team of the costs of delivering each programme. Colleges and providers are required to submit a completed form to their LSC partnership team prior to enrolling learners onto the provision (other than learners on listed provision with listed rate funding claimed where the learners are living within the provider’s normal recruitment area as defined by their LSC partnership team). The data collection and cost form, and guidance on its completion, are available on the LSC’s website.

- The form is at: www.lsc.gov.uk/publications/latestdocuments/Detail.htm?id=86214e8f-16f6-45f9-9cc4-9196ab1e8770;

- with the guidance at: www.lsc.gov.uk/publications/latestdocuments/Detail.htm?id=dceebb0e-72d6-4889-8f89-99b1ba46828.

The LSC is looking to simplify funding arrangements for providers. Therefore, as an alternative to completing the costs form, providers will be able to claim funding for unlisted learning aims delivered via distance learning based on the weighted average number of glh (WAGLH) in which the learning aim is delivered across the sector. Data on glh is made available on the LSC’s website at: www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further_Education_Funding_Policy_Documents_2008-09.htm.

For newly accredited qualifications, data on glh is provided by the QCA. Providers will also be able to base their claim for funding on these figures instead of completing the costs form. Data on glh for newly accredited qualifications is available on the QCA National Database of Accredited Qualifications website at: www.accreditedqualifications.org.uk/index.aspx.

Where a provider is delivering an unlisted learning aim where neither WAGLH nor the SLN value for that particular programme, providers should use the glh figure for the learning aims stated on the QCA website to identify the appropriate unlisted SLN value.

For unlisted learning aims where WAGLH data does not yet exist, and the learning aim has been accredited by the QCA and approved by the DfES for inclusion in Sections 96 and 97 of the Learning and Skills Act 2000, providers can use the glh figure for the learning aims stated on the QCA website to identify the appropriate unlisted SLN value.

For an unlisted learning aim where neither WAGLH data or awarding body data exist, providers should complete a data collection and costs form.

Where providers complete the data collection and costs form, the LSC partnership team may agree to fund the beginning of the course at an average glh figure in order to prevent delays in learners starting their programmes.

Providers and/or awarding bodies should calculate average glh data and agree the SLN value with the funding implementation team at the LSC National Office.

A revised SLN value would then be agreed by the LSC partnership team following receipt of a completed data collection and costs form from the provider. It is expected that any revision of SLN values would be completed within two months of programmes commencing.

Some learning aims are not included in the list of WAGLH. If providers can clearly demonstrate evidence that the learning aims that are not included are equivalent in scale and volume to one that is included, with their LSC partnership team’s approval they will be able to agree funding based on the data relating to the equivalent qualification.

### Learning Aims

- a. If the learning aim has a listed rate, this should be the rate applied. This is the simplest approach which requires the least amount of work on both the provider’s and the LSC’s part. It is also entirely consistent with the DELG report’s recommendation that funding should be mode-free.

- b. For unlisted learning aims, providers should use the WAGLH data for the learning aim to identify the appropriate SLN value.

  - Where the costs incurred significantly exceed the rate implied by WAGLH data, providers may submit a proposal to their LSC partnership team for a higher rate to be applied. This proposal must include the data collection and costs form.

  - The LSC partnership team would again want to satisfy itself that the provision in question represents value for money and may require auditable evidence to support higher rates of funding.

- c. For unlisted learning aims where WAGLH data does not yet exist, and the learning aim has been accredited by the QCA and approved by the DfES for inclusion in Sections 96 and 97 of the Learning and Skills Act 2000, providers can use the glh figure for the learning aims stated on the QCA website to identify the appropriate unlisted SLN value.

- d. For an unlisted learning aim where neither WAGLH data or awarding body data exist, providers should complete a data collection and costs form.

### Listing Learning Aims

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The approach to determining the appropriate rate for a learning aim delivered via distance learning is as follows.

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The LSC partnership team will want to be reassured that the level of funding agreed is similar to that currently being claimed for the provision. If the level of funding is significantly different, then the provider will need to demonstrate one of the following:

- there has been a corresponding change in the levels of tutor–learner activity in course delivery; or
- the rate in 2007/08 was insufficient to cover costs necessarily incurred in delivering the course.

Assuming that the level of tutor–learner activity involved in the distance-learning programme is the same in 2008/09 as in 2007/08, the LSC would expect that the level of funding claimed in both years would be similar.

A signed agreement form confirms that both the provider and their LSC partnership team have been involved in negotiating and determining the funding rate.

LSC partnership teams are expected to exercise caution where colleges and providers start to claim a level of funding significantly different from the level of funding claimed in previous years.

The data collection and costs form allows colleges and providers to identify, where appropriate, indirect and overhead costs associated with the learning aim. The guidance accompanying the data collection and costs form states that the indirect and overhead costs requested in Section B of the form relate to the provision of the distance-learning course. The guidance then suggests that colleges and providers should not apportion costs related to use of the premises. This appears to be inconsistent with the form. To clarify, colleges and providers can apportion premises costs, but only if the use of the premises can be clearly evidenced to be necessarily incurred in providing the distance-learning programme.

Where providers use the standard costs form for distance-learning provision delivered by either a franchise or sub-contracted partner, the LSC partnership teams are advised to check the costings carefully. Colleges and providers should include the actual costs of the franchise partner’s staff in their cost calculations.

The LSC partnership team will apply credibility checks to the data, which will include comparison with the funding rate of the same learning aim delivered traditionally. It is expected that the SLN values for delivery by DEL will be close to the SLN values for delivery by traditional modes.

**Funding parts of learning aims**

Funding for units of learning aims delivered by distance learning will use the same process. Colleges and providers will be required to provide costing information in the same way as if the full learning aim was being delivered.

Where the provider delivers the whole learning aim by distance learning, it may claim funding for units of the learning aim on a proportional basis. For example, if the provider has agreed an SLN value of 1 for a learning aim of five units delivered by distance learning, it could claim 0.2 SLN for a unit of the learning aim without compiling additional costing information.

**Additional learning support**

ALS should be made available to distance learners in the same way as it should be for other methods of delivery. Sections 12 and 13 of this Guidance explain ALS support arrangements.

**Supporting activities**

Opportunities for learners to interact with each other and for peer support are encouraged in all modes of learning. This has been demonstrated to improve learner retention and achievement.

**National Vocational Qualifications**

In the light of recent developments in distance-learning delivery methods, the LSC is now prepared to allow providers to make the case to their LSC partnership team for permission to claim funding for NVQs delivered entirely by distance learning, provided that the provider has the support of the relevant sector skills council (SSC) and that they continue to meet the QCA’s regulatory requirements.

The LSC partnership team will be expected to review, with the providers, the effectiveness of this delivery method, which in the first instance is more likely to be appropriate for NVQs in subjects that are predominantly IT-based. In developing this type of provision, providers need to ensure they are still working within the guidance on out-of-area recruitment, which can be found in paragraphs 139–141 and 297–300.

An NVQ delivered entirely by distance learning is, by definition, not delivered either fully or partly at the provider and should therefore be claimed at the lowest SLN value.

**Domicile**

The residence criteria set out in the companion document Learner Eligibility Guidance apply equally to distance-learning provision.

**Withdrawal**

The guidance on learner participation and withdrawal for funding purposes is contained in the companion document Funding Formula and the guidance in respect of traditional delivery also applies to DEL. A learner should be considered to have withdrawn from DEL provision in accordance with the usual rules on withdrawal set out in Table 5.
Participation or contact in the DEL context means:

- attendance at a centre or log-on to learning materials;
- receipt of work or projects by the tutor (electronic or hard copy);
- any communication with the tutor that indicated that the learner was still active on their learning aim, including any planned contacts.

440 The withdrawal date on the ILR in all funding models should be the last evidenced date of continued structured learning. The LSC expects all learners funded within the employer-responsive funding model to have auditable evidence of participation within the last 12 weeks before providers claim funding for the learners’ continued participation on their programme (this is a minimum requirement for all learners not to be withdrawn on the ILR but the LSC expects learners to usually be participating on a much more frequent basis. Examples of learner withdrawal include:

- failure to participate in their programme;
- failure to meet a planned contact;
- failure to return agreed work for any agreed tutor review, marking or assessment.

441 Colleges and providers and hubs should endeavour to confirm the status of any learner whose continued participation is in doubt.

442 Colleges and providers can claim full funding for learners who successfully complete their programmes in less time than the planned duration. It is expected that this will apply only to a small proportion of learners. Where this is not the case, the funding rate should be claimed accordingly to reflect the time that learners spent in study.

Minimum course size

443 While it is recognised that glh may not apply to DEL, it remains the case that there is a minimum size of programme below which the LSC will not provide funding.

444 The minimum size of these DEL programmes will be based on comparison with traditional programmes of equivalent size. For example, the costs incurred in delivering DEL programmes should be at least equivalent to the national funding rate for 9 glh.

### Table 5: Funding dependent on length of planned programme and date of learner withdrawal

<table>
<thead>
<tr>
<th>Course length</th>
<th>Completion or withdrawal</th>
<th>SLN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short courses (less than 2 weeks)</strong></td>
<td>Course is planned to last less than 2 weeks</td>
<td>Enrolment and at least one course activity</td>
</tr>
<tr>
<td></td>
<td>Course is planned to last less than 2 weeks</td>
<td>Enrolment and no course activity</td>
</tr>
<tr>
<td><strong>Courses (between 2 and 24 weeks)</strong></td>
<td>Course is planned to last between 2 weeks and up to 24 weeks</td>
<td>Enrolment and final attendance for at least the first 2 week period of programme</td>
</tr>
<tr>
<td></td>
<td>Course is planned to last between 2 weeks and up to 24 weeks</td>
<td>Enrolment and final attendance less than first 2 week period of programme</td>
</tr>
<tr>
<td><strong>Longer courses (equal to 24 weeks or more)</strong></td>
<td>Course is planned to last 24 weeks or more</td>
<td>Learner attends for 6 weeks or more</td>
</tr>
<tr>
<td></td>
<td>Course is planned to last 24 weeks or more</td>
<td>Learner withdraws before 6 week qualifying period</td>
</tr>
</tbody>
</table>
8: Apprenticeships

Policy Aims

445 The general guidance in the whole of this document should be applied to Apprenticeship programmes and this section sets out any specific guidance that applies only to Apprenticeships.

446 Apprenticeship programmes should be in accordance with the provider’s funding agreement, development plan and this document. They should be provided in a manner that maximises the provider’s contribution to the Apprenticeships performance indicator and national targets at Levels 2 and 3, by increasing the take-up of the work-based route by all young people and adults who can benefit most from this route through:

• promoting the growth of Apprenticeships to become the route to NVQ at Level 2 that is preferred by young people, adults and employers; and of Advanced Apprenticeships to become the route to NVQ at Level 3 that is preferred by young people, adults and employers;

• ensuring that individually tailored Entry to Employment (E2E) programmes are available to all young people who are identified by Connexions partnerships as in need of E2E, and that these programmes meet their specific needs and support their progression;

• delivering the full Apprenticeship framework, including key skills and Technical Certificates;

• implementing best practice, including mentoring, to maximise the participation, retention and achievement rates of young people covered under this contract; and

• continually improving the quality of teaching, learning and initial and continuing assessment.

Learner Charges

447 Except where the LSC agrees, learners shall not be required to contribute financially to the direct cost of learning, unless they are in receipt of a Career Development Loan. There is no restriction on employers contributing to the costs of Apprenticeships.

Recruitment Priorities

448 The priority groups identified for access to Apprenticeships funding are:

• young people aged 16–18;

• young people aged 19–24 with disabilities and learning difficulties (as self-declared by the learner – see paragraph 661);

• all other eligible young people aged 19–24 who may be recruited, subject to affordability;

• adults aged 25 or over who satisfy one of the priority criteria for the Apprenticeships for Adults programme;

• graduates, except those who have participated in the New Deal, remain ineligible for LSC Apprenticeship funding.

Marketing

449 The provider is expected to contribute to the development of the market for Apprenticeships by producing and implementing an annual marketing plan. The marketing plan should address the following areas.

• Marketing objectives in line with the expectations of the provider’s development plan.

• Identify target audiences; that is, employers by size and sector, and learners by age, geography and circumstance.

• Detail an overall marketing strategy.

• Identify main activities; for example, enquiry and conversion handling, press coverage, advertising, events, literature and direct mail.

• Relationship management with other agencies; that is, Business Link and Connexions partnerships.

• Plans to evaluate marketing activities.

450 All providers are reminded that there is a contractual obligation for all use of the Apprenticeships name to be in accordance with the Apprenticeships brand. Guidelines and logos are available on the LSC’s campaign resources website at: http://217.160.210.43/lsc_campaignresources/ (a short registration process is required for this website). All marketing and promotional material referring to Apprenticeships is to be accompanied by the Apprenticeships logo.
Apprenticeships Delivery

451 Providers must deliver learning that comprises all the elements of the current Apprenticeships framework document produced by the appropriate sector body or SSC and approved by the Skills for Business Apprenticeships Approval Group, summaries of which can be found on the Apprenticeships website at: www.Apprenticeships.org.uk. Learners should be registered on the Apprenticeship or Advanced Apprenticeship that is current on their date of entry. If Apprenticeships frameworks are subsequently updated, learners may have the option to move to the new Apprenticeships framework or remain on the Apprenticeships framework that was in place when they originally registered. Providers should note that some SSCs impose entry requirements. Providers should refer to the framework for specific details on how learners can transfer to new or updated frameworks.

Programme-led and Employer-led Apprenticeships

452 The Apprenticeships programme is primarily intended for young people in employment, and this remains the preferred option. However, the number of young people interested continues to be greater than the number of places available to young people in employment and there is therefore a need for a programme-led route that prepares young people for when an appropriate employment-led place becomes available. This route was recognised in the report of the Modern Apprenticeship Advisory Committee.

453 A Programme-led Apprenticeship is therefore appropriate if the learner is undertaking one or more elements of an Apprenticeship framework; for example, the Technical Certificate and key skills, or, exceptionally, an NVQ in an off-the-job setting or in a non-employed placement. It is a requirement of this pathway that employers be involved in the programme, and that the learner has the intention of taking up an Employer-led Apprenticeship. (The Apprenticeship becomes employer-led when the apprentice is employed by an employer.)

454 Providers delivering programme-led pathways should actively seek Employer-led Apprenticeships for their learners at the earliest opportunity, and should monitor progression rates as part of quality-assurance processes. Programme-led pathways can be funded under any funding model, but Employer-led Apprenticeships must be funded through the employer-responsive funding model with the associated ILR completed. All starters on Programme-led Apprenticeships are entitled to EMA (if they are eligible and following an income assessment).

455 Many prospective apprentices will have completed Programme-led Apprenticeships in FE. Normally this will mean that full qualifications have already been delivered and funded. This creates an excellent opportunity for providers to achieve framework completions more quickly. However, it also means that double funding can occur if providers claim the same qualifications again. Where part-qualifications have been achieved, the rules of partial funding are to be applied (see paragraphs 251–255). At the time of recruitment, providers are required to treat Programme-led Apprenticeship applicants fairly in relation to direct entrants, and should have processes that recognise the competence or knowledge already gained, so that learners are not asked to repeat learning or assessment they have already undertaken. Position statements on Programme-led Apprenticeships are available on the Apprenticeships website and a web link is available to the site in paragraph 451.

Programme Components

Key skills

456 All Apprenticeships contain a mandatory requirement for key skills that includes:

- Apprenticeships: Application of Number and Communication at Level 1;
- Advanced Apprenticeships: Application of Number and Communication at Level 2.

457 Sector bodies and/or SSCs are responsible for setting the levels of key skills that are included in Apprenticeships. For example, some Apprenticeships may contain key skills at Level 2 for Apprenticeships, or may include IT or one of the wider key skills in addition to Application of Number and Communication. Additional key skills and the levels are representative of the type and level needed for an apprentice to operate in that occupational area. For 2008/09, the LSC will fund only mandatory key skills at the level contained in the framework. If an apprentice already has the required level, then the next level up will be funded to aid progression.

458 There are qualifications that are deemed by the QCA to be concessions or proxies for key skills. Details of these qualifications can be found on the QCA website: www.qca.org.uk. If the learner claims to have a concession or proxy but cannot produce any evidence, the key skill will need to be retaken. In this case, it may be appropriate for the learner to do the next level up.

Initial assessment

459 All learners must be assessed before or immediately upon entry to their Apprenticeship programme. Providers must ensure that the information gained as a result of the assessment appropriately identifies the needs of the learner. The results of the assessment must include details of previous competence, such as any gained through a Programme-led Apprenticeship, and must be recorded and used to inform the content of the Individual Learning Plan (ILP).
The purpose of initial assessment is to ascertain the learner’s suitability for the programmes and their exact starting point and development needs. Therefore, initial assessment should help shape the programme going forward and inform the ILP. Initial assessment should therefore determine, as a minimum:

- the objectives of the learner and of the programme;
- the learner’s current abilities, attitudes and aptitudes;
- support and development needs;
- the most appropriate teaching and learning styles and methodologies.

A summary of the findings and how this will affect the programme are to be carried over onto the ILP. The provider is to pay due regard to the good practice identified in Initial Assessment of Learning and Support Needs and Planning to Meet Needs (DfES, 2001) and to implement this good practice as appropriate. This publication is available from the LSC website at: http://readingroom.lsc.gov.uk/pre2005/quality/goodpractice/initial-assessment-of-learning-and-support-needs-and-planning-learning-to-meet-needs.pdf.

Learners identified as likely to have additional learning needs (ALN) and/or additional social needs (ASN) should have their needs further assessed in partnership with Connexions. Where the LSC provides extra resources, the needs identified are to be met by the provider. Further details on identifying and meeting additional needs are in Section 13.

Once learners have started learning, providers should complete an ILR. This must be updated throughout the learner’s programme and on leaving learning, in accordance with the Provider Support Manual.

All learners must receive a comprehensive induction that covers, as a minimum, the following:

- programme content, delivery and assessment arrangements;
- equality and diversity;
- health and safety: the safe learner concept;
- disciplinary and grievance procedures;
- terms and conditions of learning.

Regular reviews are an important part of the learning process. Learners must be reviewed at least every 12 weeks for Apprenticeships and at least every 4 weeks for E2E programmes. Reviews must be recorded and documents signed by the learner and the reviewer. Reviews should:

- identify progress made to date;
- reflect on progress towards the learning goals;
- record any changes to the ILP;
- set realistic but challenging and measurable targets to be achieved before the next review.

The frequency of reviews should be adjusted to reflect the risks of the learner leaving early or not achieving.

Individual Learning Plan

A written ILP should be produced for each learner. The ILP should not duplicate information recorded elsewhere. It should contain the details of what will be delivered; how it will be delivered (for example, by group work, workbook and so on); and the way it will be delivered in the light of the learner’s learning styles and abilities. It should reflect the outcomes of initial assessment. Learner feedback indicates that learners often do not know what they will be doing, when or how. This uncertainty contributes to early drop-out. The ILP should be the document that records these details. It should contain the learning objectives of the programme that learners are following, and state how these will be achieved.

The ILP should take account of:

- the content of the NVQ/Apprenticeship or E2E frameworks;
- the learner’s needs, including any ALN and/or ASN identified and learner support arrangements.

The format and content of the ILP is at the discretion of the provider. However, an ILP is expected to include:

- skills, knowledge and competences required and the timescale over which the learner will have achieved this;
- training the learner is to receive, where it is delivered and how it is scheduled, who is delivering it and what support is being provided;
- methods that will be used to deliver training (including on- and off-the-job training);
- how on- and off-the-job training will be co-ordinated;
- the learner’s assessment and review arrangements.
469 The ILP should be reviewed regularly, and is an integral document in formal learner reviews. To reflect the growing capability of the learner and where changes are made, these should be agreed with the learner and, where appropriate, the employer. The learner should sign their agreement to the changes on the review document that records that change. It is only necessary to change the ILP itself when there are major changes to the programme.

470 Providers should deliver the learning as described in the ILP. Delivery and assessment are to be in line with the appropriate framework and awarding body requirements.

Those in danger of leaving early

471 Providers are to have a reliable system for identifying those at risk of leaving early, along with a strategy for involving the Connexions personal adviser, employers and other agencies, as appropriate, to reduce the number of learners leaving early. If, despite the provider’s best efforts, learners are no longer making satisfactory progress against their ILP, they should be offered alternative opportunities to pursue their original or revised learning objectives – either with the same provider or with another LSC-funded provider. A learner should be considered to have withdrawn from a programme when they:

- are known to have made a decision to withdraw from the programme;
- have exceeded the provider absence and withdrawal policy or have been dismissed by the provider;
- cannot be contacted for a period of four weeks.

472 The learner should be treated as withdrawn for whichever of the above occurs first. On leaving, the learner must receive written notice of termination. Portfolios, coursework, the ILP and all certificates are the property of the learner and must be returned to the learner. They may not be withheld for any reason, other than for assessment or verification by the provider, without the learner’s permission. Learners must be withdrawn on the last evidenced date of continued structured learning. Failure to make records available to leavers may result in recovery of funds paid by the LSC for the learning concerned.

Monitoring arrangements and self-assessment

473 LSC officers will monitor the performance of the contract and may re-profile future volumes and payments in discussion with the provider. These discussions should be focused on overall strategic issues rather than on the traditional close management of provision.

474 Providers must complete an annual self-assessment report and send it to the LSC. Providers will also be required to complete a development plan, as detailed in Planning for Success – a framework for planning and quality

Bureaucracy
Reduction of administration in Apprenticeships

475 All providers are encouraged to implement systems that require the minimum amount of administration to meet LSC and legal requirements for the effective management of learning, and to evidence the proper use of public funds. In April 2006, the LSC produced an effective practice guide for the reduction of administration in Apprenticeships. This is a non-contractual document which can be found on the Apprenticeship website and is designed to assist providers in reducing the resources required to administer Apprenticeships. It includes a number of checklists, hints and tips.
9: Train to Gain

476 The general guidance in the whole of this document should be applied to the Train to Gain (TtG) programme and this section sets out specific guidance that applies only to Train to Gain. These programmes should be delivered in accordance with the provider’s funding agreement, contract specification, development plan and this document.

477 From 2008/09 NVQs (Levels 1 to 4) in the workplace previously funded either within the FE 2007/08 or, for Level 4 qualifications only, within the WBL 2007/08 funding stream will be funded as Train to Gain within the employer-responsive funding model. These learners must meet the eligibility criteria set out in paragraph 482 and this paragraph will usually only apply to providers funded for these activities in 2007/08. Providers funded within FE in 2007/08 for this provision must for 2008/09 agree their delivery plans with their LSC partnership team.

478 The LSC specific advice to providers delivering provision in the workplace is set out in Section 8 on Apprenticeships and most of this will be relevant to Train to Gain delivery. The LSC general compliance requirements for all funded LSC provision, including Train to Gain for 2008/09, are set out in the companion document ILR Funding Compliance Advice and Audit Guidance for Providers with Sections 2 and 3 setting out the core LSC funding compliance guidance for all providers.

479 Providers will also need to refer to the companion documents Funding Formula and Funding Rates for advice on the employer-responsive funding model which includes Train to Gain funding for 2008/09. Please refer to the LSC’s Learning Aim Database (LAD) for individual qualification 2008/09 funding rates. Additional learning support within Train to Gain is explained in Section 13 and providers should start at paragraph 657.

480 The funding and compliance rules and regulations for Train to Gain reflect the new regular monthly payment basis that commences from 1 August 2008. This has removed the need for separate ‘learner start’ guidance which was needed when providers received 50 per cent of the funding at the start of each learner’s programme.

481 The LSC has also issued some additional guidance on eligibility for Train to Gain to explain the additional flexibilities for 2008/09 set out in Mark Haysom’s letter to the sector dated 19 June 2008, available from the LSC website at: http://readingroom.lsc.gov.uk/lsc/National/nat-traintogainchangesletterproviders19thjune-jun08.pdf. This extends paragraph 483 on eligibility for some learners and programmes and which will be explained in detail within the guidance referred to in paragraph 485.

Programme and Learner Eligibility

482 To access any Train to Gain funding, learners must satisfy the following general learner eligibility criteria:

- meet the LSC learner eligibility requirements set out in Learner Eligibility Guidance paragraphs 14–18;

and learners must also meet one of the following:

- be working for an employer under a contract of employment;
- be working as a volunteer for an employer;
- be self-employed;
- be working for an employment agency.

483 In addition to the above, to be eligible for Train to Gain funding the following general learner or programme criteria must also be met.

- Learners who do not possess a full Level 2 qualification or its equivalent (this means a qualification equivalent in standard and breadth to 5 GCSEs at grades A* to C, irrespective of when or where the qualification was achieved).
- Learners can enter Train to Gain via the local employment partnership (LEP) route even if they already hold a full Level 2 qualification.
- Learners starting full Level 3 qualifications who do not already possess a full Level 2 qualification, referred to as ‘jumpers’.
- Eligible Skills for Life and ESOL qualifications.
- Learners undertaking qualifications that are now eligible for LSC funding under the new Train to Gain 2008/09 flexibilities that permit some relaxation on the ‘firstness’ rules above (see paragraphs 481 and 485). These groups of eligible learners can be summarised as follows:
  - learners on second Level 2 programmes identified as eligible through Sector Qualification Strategies and/or sector compacts. Up to 30 per cent of Level 2 qualifications in any LSC region can be additional Level 2s, providing funding for individuals who already possess a first Level 2 or above;
learners on second Level 3 programmes identified as eligible through sector compacts. Up to 20 per cent of Level 3 qualifications in any LSC region can be additional Level 3s, providing funding for individuals who already possess a first Level 3 or above.

In addition to the above, the following groups are subject to specific additional guidance:

- employees on New Deal programmes are ineligible but become eligible when their New Deal programme ends and employment commences;
- learners resettled into the community after release from prison, (Category D, pre-release prisoners on paid work experience, are not eligible under Train to Gain, but may be eligible under learner-responsive funding models.)

Providers should evidence learner eligibility using the following forms available from the LSC website:

- First full Level 2 declaration and eligibility guidance at: www.lsc.gov.uk/publications/latestdocuments/Detail.htm?id=43378759-a335-4fc5-9bf2-4aa621712939.

The learner’s residence, their employer or place of employment must be in England. Where, as part of the requirements of employment, a person who is ordinarily resident in England is required to work outside England for short periods, that person will continue to be eligible for funding. Providers will continue to be responsible for providing support as detailed in the programme specifications throughout any period when the learner is in employment outside England. Where the period of absence will affect the completion of a programme, then an agreed break in learning should be considered.

Employed learners must be granted paid time to train during working hours as detailed within their contract of employment. This does not apply if the learners are volunteers or self-employed.

Learners under 19 years of age at the start of their programme are already legally entitled to free learning and therefore are not eligible for Train to Gain funding. There is no upper age limit.

Providers recruiting learners to Train to Gain programmes must not conflict with the Apprenticeships policy and recruitment priorities set out in paragraphs 445–448 of this document. In particular, providers are reminded that the Apprenticeships programme is the Government’s preferred option for vocational learners aged between 19 and 25 and they should be recruited onto the Apprenticeships programme wherever possible.

Programme and Learner Ineligibility

Providers are reminded that Wales, Scotland and Northern Ireland all have their own funding arrangements and provision. For learners living in the UK outside England, the LSC has reciprocal arrangements with the funding councils for Wales, Scotland and Northern Ireland that allow learners commuting daily to work in England to access Train to Gain funding as set out in paragraph 486 above. For workplaces in England with significant non-English (that is, Welsh, Scottish or Northern Ireland) residents in their workforce, providers are required to agree eligibility in principle with their LSC area partnership team before commencing delivery in that location (this will usually only involve employers/workplaces close to the English border).

Residents of the Isle of Man and Channel Islands are always ineligible to access LSC funding as residents of those islands do not contribute to UK Exchequer funding. English residents who have previously lived in any of the islands can, however, count their island residence towards the normal three-year residence eligibility requirement.

Train to Gain funding is open, with some exceptions, to all types of employer including private, franchise, public and voluntary bodies. While the public sector is generally included, central government departments and their agencies are expected to lead by example and themselves fully invest in the development of their workforce. Therefore it is considered inappropriate for them to receive government funding to train/develop their staff. A list of central government departments and their agencies can be found at: www.direct.gov.uk.

Types of Employment Eligible to Access Train to Gain

The following paragraphs provide some additional clarification on the types of employment eligible for funding under paragraph 482. This document is intended for Providers delivering LSC-funded provision and Annex M includes advice on other operational aspects of the Train to Gain service, including:

- skills broker responsibilities;
- employers eligible to access Train to Gain;
- contributions to wage costs.

Volunteers

Volunteers are eligible where they are working in any organisation (within any sector including the third/voluntary). There is no minimum limit to the number of
hours worked by the volunteer, and there is no requirement for there to be a written agreement between the organisation and the volunteer relating to their voluntary work.

495 Volunteers will participate on the same basis as the organisation’s paid staff, subject to the organisation confirming that the individual is working as a volunteer. Employers will be encouraged to support Train to Gain delivery for volunteers but there may be situations where this will not be practicable or appropriate. In these circumstances, the volunteer should be referred for additional IAG support, to explore other learning opportunities that may be available to them.

496 Training delivery for volunteers will be on the same basis as for paid workers; however:

- the timing of training delivery will need to be negotiated to accommodate employer needs, particularly where training is scheduled during the individual’s agreed volunteer hours;

- since volunteers are unwaged, the Train to Gain contribution to wage costs arrangements will not apply.

Self-employed

497 Self-employed workers (defined as being an individual responsible for their own tax and national insurance contributions, working independently, or for a company on a self-employed basis), are eligible to participate in Train to Gain. This applies to both self-employed individuals working at/for an employer and self-employed individuals who are not based with an employer.

498 Normal Train to Gain funding and eligibility rules apply to self-employed learners (apart from the requirement to have a contract of employment). Self-employed learners will be required to confirm they are self-employed by signing the self-declaration form referred to in the first bullet point in paragraph 485.

499 Self-employed individuals are not eligible to claim contribution to wage costs funding for themselves. However, if a self-employed individual employs others (with a contract of employment), their employees may be eligible for contribution to wage costs, subject to the normal eligibility criteria.

Recruiting Learners and Delivering Train to Gain Programmes

Information, advice and guidance

500 The Government’s Skills Strategy, 21st Century Skills: Realising our Potential (DfES, 2003), recognises the important role information, advice and guidance (IAG) has in helping people to understand the opportunities and support available to them. Stakeholders should refer to Working Together: Developing effective information, advice and guidance services to support employees undertaking learning funded through Train to Gain, available at: http://readingroom.lsc.gov.uk/lsc/National/natiagworkingtogether-pu-mar2007.pdf.

501 IAG is at the heart of the Train to Gain offer to ensure learners access the most appropriate learning, remain engaged in their chosen course of learning and ultimately achieve a relevant qualification.

502 Skills brokers will be responsible for raising awareness of IAG services among employers and their employees. Where appropriate, skills brokers will signpost to independent IAG services, for example, nextstep or leardirect advice.

503 Providers delivering Train to Gain training provision must provide an IAG service for learning and skills that is accredited to the matrix quality standard appropriate to the IAG service being offered. While it is envisaged that IAG will be embedded within the learning programme, where a learning provider has not yet achieved matrix accreditation, IAG in learning can be sub-contracted by the Train to Gain approved learning provider to another agency as long as they are matrix accredited. It would be expected that once the Train to Gain approved provider has achieved matrix accreditation, they would assume responsibility for delivering the IAG element. See Annex M for further guidance on the matrix standard.

Learning Agreements, Enrolment Forms and Individual Learning Plans

504 The LSC advice to all providers on these matters and their necessary auditable evidence can be found in the following companion documents:

- Section 3 of Learner Eligibility Guidance;

- Section 2 of ILR Funding Compliance Advice and Audit Guidance for Providers;

- Section 8 of this document – advice on Individual Learning Plans within the employer-responsive funding model, paragraphs 467–470.

505 General LSC funding compliance advice on evidencing learning participation and achievement is also included in Sections 2 and 3 of ILR Funding Compliance Advice and Audit Guidance for Providers.

Induction

506 As Train to Gain is principally delivered in the workplace, providers must ensure that as part of their comprehensive induction all learners receive information about the following:

- programme content, delivery and assessment arrangements;

- equality and diversity;
health and safety; the safe learner concept;
• disciplinary and grievance procedures;
• terms and conditions of learning.

Health and Safety

The LSC requires those it funds to ensure, so far as is reasonably practicable, that all learning takes place in a safe, healthy and supportive environment. The LSC uses its funding agreements and contracts to make clear this requirement and other expectations.

Learner health and safety is a fundamental value of the LSC. It is enshrined in the LSC’s Policy Statement on Learner Health and Safety.

For this purpose, it has developed the concept of the ‘safe learner’. The safe learner concept provides the added value that funded organisations (such as training providers and colleges) can make in addition to ensuring a safe, healthy and supportive environment for learners.


The safe learner concept was first introduced by the LSC in 2002. The LSC defines this as the situation in which ‘The learner through the quality of their learning experience’:

• gains an understanding of the importance of health and safety;
• understands how hazards are identified, risks are assessed and the principles of control measures;
• develops a set of safe behaviours, so that they play an active part in the process and acquire practical, transferable skills from their experience.

The LSC expects all LSC-funded organisations to promote the safe learner concept in addition to ensuring a safe, healthy and supportive environment through effective health and safety management. The safe learner site can be accessed at: www.safelearner.info/.

Learner Starts and Withdrawals

The LSC guidance on when a learner qualifies as a start for funding purposes is set out in Section 2 of the companion document Funding Formula. Detailed advice on how to treat withdrawals for funding purposes is set out in Section 5 of the companion document ILR Funding.

Skills for Life Delivery in Train to Gain

Train to Gain funding through the employer-responsive model supports the delivery of adult basic skills provision. As outlined in Train to Gain – A Plan for Growth, Entry Level (E1, E2 and E3) Skills for Life qualifications will be supported from 2008/09.

Table 6 outlines the Skills for Life and ESOL qualifications that are eligible for funding through Train to Gain.

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Eligible for funding through Train to Gain discrete funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate in Adult Literacy (Entry Level, Level 1, Level 2)</td>
<td>✓</td>
</tr>
<tr>
<td>Certificate in Adult Numeracy (Entry Level, Level 1, Level 2)</td>
<td>✓</td>
</tr>
<tr>
<td>Certificate in ESOL Skills for Life (Entry Level 1, 2 and 3, Level 1, Level 2)</td>
<td>✓</td>
</tr>
<tr>
<td>Key Skill in Communication (Level 1 and Level 2)</td>
<td>x</td>
</tr>
<tr>
<td>Key Skill in Application of Number (Level 1 and Level 2)</td>
<td>x</td>
</tr>
<tr>
<td>GCSE Mathematics</td>
<td>x</td>
</tr>
<tr>
<td>GCSE English</td>
<td>x</td>
</tr>
<tr>
<td>ESOL for Work at Entry Level 3 and Level 1</td>
<td>✓</td>
</tr>
</tbody>
</table>

Key: ✓ = eligible for funding through Train to Gain discrete funding  
X = not eligible for funding through Train to Gain discrete funding
516 Where learners, through initial assessment, are identified as having a basic skills need they will be eligible for funding; this now includes those with prior qualifications at NVQ Level 2 (or equivalent or above).

517 The delivery of the Skills for Life learning aim can be delivered as a stand-alone qualification or to support achievement of the full Level 2 vocational qualification or through an embedded approach where a provider combines the development of literacy, language (ESOL) or numeracy with a vocational qualification.

Assessment of learner need
518 To support the Leitch target of 95 per cent of the working age population to have functional skills in numeracy (Entry Level 3), all learners accessing Train to Gain funding should be assessed for their numeracy needs.

519 The initial and diagnostic assessment of learners’ literacy, language and numeracy needs will determine the appropriate level of qualification required to meet those needs and help the learner improve their skills. Improvement within the Skills for Life strategy is defined by, and measured as, a learner moving up a level of attainment from, for example, Entry 3 to Level 1. A learner assessed as already having a majority of skills at, for example, Level 1, has a need for provision at Level 2 in order to achieve measurable improvement.

520 Assessment may show that a learner already has a reasonable level of literacy or numeracy skills (and therefore no need for a separate basic skills qualification) but would nonetheless benefit from some on-course support to meet any residual needs and to ensure that they achieve their Level 2 vocational programme. Good practice suggests that this support should be provided as part of the Level 2 vocational programme and is already accounted for in the funding rates. It will therefore not be funded separately.

521 Following initial assessment, where a learner needs to improve skills in more than one subject area (for example, both literacy and numeracy or language and numeracy), both learning aims, can be funded through Train to Gain discrete funding. Funding should not support both literacy and language (ESOL) learning aims for the same learner as these programmes are designed to meet very similar needs.

Progression
522 Where a learner is identified as needing progression within the basic skills qualifications, this will be funded.

Flexibility guidance from 1 August 2008
523 This document has been amended to reflect the flexibilities announced for Train to Gain programme delivery by the LSC in August 2008. Paragraph 516 replaces paragraphs 515 and 516 and paragraph 522 replaces paragraphs 522 and 523 in the earlier web-released draft versions of this document.

English for speakers of other languages (ESOL)
524 ESOL for Work qualifications will be funded through Train to Gain from 2008/09. The LSC is working with the Department for Innovation, Universities and Skills (DIUS) to determine if the qualifications should also count towards the PSA Skills for Life target.

525 In line with the funding changes for ESOL and with the Government’s aim to increase the employer contribution to the cost of learning, employers must make a contribution to the cost of ESOL Skills for Life and ESOL for Work provision from 2008/09.

Determining Higher and Lower Funding SLN Values
526 Please refer to the LSC’s Learning Aim Database (LAD) for individual qualification 2008/09 SLN values. The higher and lower SLN values are intended to reflect the different costs incurred by providers to train each individual learner. Both funding values include elements for providers to:

- give initial advice and guidance;
- assess training needs for each learner;
- deliver training and support to each learner;
- assess each learner;
- assist each learner to achieve their qualification.

527 Providers are reminded that in the learner-responsive funding models the LSC has a general standard of a minimum planned nine guided learning hour (glh) threshold for each learner before funding can be claimed by providers. For Train to Gain learners no defined minimum contact hour threshold has been set for lower-cost learners in 2008/09. Providers are, however, expected to be able to evidence appropriate eligible support/learning/training for every learner that justifies claiming funding from the public purse for the delivery of the learner’s programme. Providers are reminded that auditable evidence must exist of directly incurred reasonable delivery costs before any Train to Gain funding is claimed from the LSC. Providers should not be claiming Train to Gain funding where either all or the majority of the costs incurred in delivery are being met from other sources of funding, either private or public.

528 The appropriate funding SLN value should be claimed to reflect the costs incurred in the delivery of the learner programme in accordance with the standard LSC funding methodology. These costs include:

- underpinning knowledge and understanding:
• supported learning and training;

• assessment and feedback.

In order to claim the higher SLN value providers will need to be able to evidence to LSC-appointed auditors the following:

• a minimum of 15 hours of eligible support/learning/training consisting of underpinning knowledge and understanding as detailed in Table 7 below. This may also include provider staff feedback and instruction and evidence of provider input into assessing/reviewing distance learning materials by a suitably competent person but will always exclude Induction, IAG and Assessment. In principle, any activity that forms part of the standard LSC ghf definition apart from assessment and observation (as defined in paragraph 110) counts towards the 15-hour definition.

Table 7: Guidance on activities that count towards the minimum 15 hours for higher SLN value claims

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description of activity</th>
<th>Included in 15 hours for Higher Rate determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support/learning/training – underpinning knowledge and understanding</td>
<td>This can include blended distance and e-learning, where evidence of suitable provider input has been retained</td>
<td>√</td>
</tr>
<tr>
<td>Assessment and observation</td>
<td></td>
<td>×</td>
</tr>
<tr>
<td>Marking time</td>
<td></td>
<td>×</td>
</tr>
<tr>
<td>Provider staff feedback and instruction</td>
<td></td>
<td>√</td>
</tr>
<tr>
<td>Learner progress reviews</td>
<td></td>
<td>×</td>
</tr>
<tr>
<td>Portfolio development/production</td>
<td>Evidence gathering of competence</td>
<td>×</td>
</tr>
<tr>
<td>Completing distance learning materials where support/learning/training activity contains vocationally relevant underpinning knowledge (completed predominately during work hours)</td>
<td>Evidence of provider input, e.g. details on ILP giving the reason for choosing distance learning activity, work completed shows it has been assessed/reviewed by a suitably competent person</td>
<td>√</td>
</tr>
<tr>
<td>Delivery of training not part of the full Level 2/3 or approved basic skills qualifications (Level 3 qualifications relate to Level 3 jumpers)</td>
<td></td>
<td>×</td>
</tr>
</tbody>
</table>
The introduction of a funding payments methodology that links payments to ongoing learning and training activity from 1 August 2008 enables the LSC to remove the previous start column.

In claiming funding the LSC compliance and audit guidance for 2008/09 will advise auditors to compare the actual mix of higher and low cost learners with the provider contract to assist the LSC in agreeing the audit sample sizes in 2008/09. Providers are encouraged to reasonably balance individual claims for high and low cost learners to avoid audit difficulties later in the year.

Local partnership teams will also review any differences in the mix of high to low cost learners as part of their review of providers before determining any future contract values.

**Low funding rate learners only**

LSC guidance is that only the lower SLN value for NVQs should be claimed for those learners already possessing a ‘thin qualification’, that is, only part of a Level 2 qualification, as the learner will already possess part of the qualification. This would, for instance, cover learners who may have a vocationally related qualification (VRQ) through the employer training pilots, and who now wish to gain a full Level 2 qualification.

**National Employer Service funding rate only**

National Employer Service (NES) learners will be funded at the SLN value agreed in the contract with the NES. Further information on Train to Gain within the NES is available in Annex M: Train to Gain – Operational Guidance.
10: Entry to Employment

Entry to Employment (E2E) provision is provision below Level 2 on the 16–18 learner-responsive funding route. It is aimed at young people who are not yet ready or able to access a Level 2 learning programme, Apprenticeship or employment. The E2E Prospectus and E2E Passport require providers to design and implement an individualised E2E programme for each learner. The programme defines the scope and focus of the young person’s E2E experience. This must stem from identification of the learner’s most likely positive progression route, and should ensure a range of activities that will propel the learner into an Apprenticeship, further education or training, or employment, preferably with training.

The LSC’s approach to administering and funding E2E has been developed in partnership with the E2E advisory group, including all interested parties. Progression Pathways are being developed as part of the Foundation Learning Tier (FLT) programme and will in time replace all E2E programmes. Progression Pathways are built from qualifications drawn from Entry Level and Level 1 of the Qualifications and Credit Framework (QCF) and are frameworks for learning that are specifically designed to promote progression to Level 2 and other positive destinations as well as to help learners achieve formal qualifications at Entry Level and Level 1 from the QCF. Progression Pathways are being introduced through a process of phased implementation that began in August 2007 and will be complete by 2010 when there will be the full implementation of a complete set of Progression Pathways which will replace all legacy provision including E2E, First Steps and Foundation Learning in Further Education.

Further details on the funding of the FLT are provided in Section 4 and further information on Progression Pathways can be found in the Prospectus for Progression Pathways (August 2008) available on the LSC’s Qualifications and Framework Reform website: http://qfr.lsc.gov.uk/flt/support.

During 2008/09, specific funding arrangements for Progression Pathways have been developed and these are detailed in Section 4: Qualifications and Funding.

Definition

E2E is designed to equip young people to become independent, self-motivated, informed and empowered to take control of their lives. Its primary aim is to enable learners to progress into employment with training, or on to further learning programmes. The curriculum structure comprises three interdependent core strands: basic and key skills, vocational skills and development, and personal and social development. Learners on E2E, where appropriate, have the opportunity to gain qualifications up to and including Level 1 of the National Qualifications Framework (NQF) or the QCF. Learners may also work towards units of other qualifications. E2E is a full-time LSC programme, and planned attendance should normally be 30 hours a week, for a minimum of 10 weeks. Learners may start by attending for 16 hours a week, but must build this up to 30 hours as soon as possible, although fewer hours may be more appropriate for some young people. The provider is required to deliver E2E in accordance with this document and the E2E Prospectus. These documents are available on the LSC website at: http://e2e.lsc.gov.uk/.

Eligibility

It is not expected that learners who hold the entry qualifications for Apprenticeships or who can commence a Level 2 programme will be enrolled on E2E. Young people are eligible to enter E2E if they:

- are eligible for LSC funding as detailed in Section 2 of the companion document Learner Eligibility Guidance and are not employed;
- have reached compulsory school leaving age but have not reached the age of 19 on the day they start E2E; or
- are aged 19–24, are not eligible for New Deal, and the LSC has agreed to provide a place;

and if they:

- are not yet ready to enter a structured learning option leading to a qualification at Level 2 or employment;
- are able to attend for at least 16 hours a week;
- can demonstrate the ability and opportunity to progress towards and enter a positive destination, given a reasonable period of development time on E2E.

Within the first six weeks on E2E, the learner’s suitability for the programme is to be confirmed by a member of Connexions. Learners may remain on E2E past their 19th birthday to complete the programme. There is no limit to the number of times a young person can enter E2E, but learners must leave E2E before their 25th birthday. The judgement by the personal adviser could result in one of three outcomes.
• The young person is in need of a period on E2E and is suitable for the programme.

• The learner is ready to move on to a Level 2 programme; that is, they no longer need to stay on E2E because they could now sustain a place on a Level 2 option. If this occurs, arrangements should be made for the learner to move on as soon as possible. In these cases, the provider has provided legitimate support services to the learner and therefore no abatement is made. If the learner then moves into a qualifying positive destination, a bonus may also be claimed.

• The young person is clearly ineligible; that is, they do not meet the criteria set out in paragraph 540. If so, the action taken depends on the circumstances. The provider should abate the funding claimed and inform their contract manager.

542 LSC partnership teams or regional contracting teams may issue guidance on the targeting and recruitment of specific young people for E2E in their areas.

Entry to Employment Passport

543 The E2E Passport was developed in partnership with Connexions, providers and the Adult Learning Inspectorate. It has been designed to facilitate the referral, initial assessment, planning and review of learners and programmes on E2E. It is compulsory for all E2E learners. The E2E Passport provides documents to support the processes described in this section. It does not in itself mean providers meet all the requirements for E2E; it is the way it is used that will determine whether the requirements are met. Providers may also use the E2E Passport online or similar electronic versions of the E2E Passport. The E2E Passport can be accessed on the LSC website from the link available in paragraph 539.

544 It includes the following documents:

• for referrals, two referral forms (one for use by the personal adviser and another for other agencies). These replace the individual development plan;

• initial assessment summary form for providers to complete;

• E2E programme agreement detailing the main objectives and confirming the learner’s suitability for E2E;

• E2E activity plan, which records the more short-term detailed activities and progress. Together, the E2E programme agreement and E2E activity plan replace the individual development plan;

• E2E review record, which records short-term targets and progress towards them. The E2E review record provides evidence of the learner being in learning;

• an E2E moving-on plan to detail the support providers will give during transition from E2E to positive destinations.

Recruitment

545 Most young people who access E2E will be referred from Connexions. Most will have been working with a personal adviser to address barriers to learning. This includes those young people taking part in the activity agreement pilots (see paragraph 555). They may have been working to build up their attendance to 16 hours a week. These young people, including those with an activity agreement, are classed as being on the caseload of a personal adviser. If learners are aged 16–18, they have a right to a place on E2E in line with the young person’s Guarantee. Not all young people will enter E2E by this route. Some will self-refer and others will attend with friends or come from partner organisations on recommendation. Local arrangements have been agreed within partnerships on how this will work. It is clear that if young people have to wait for a place, or are turned away because they do not have the right piece of paper, they will not return and E2E will not succeed. Providers are free to recruit eligible young people onto E2E from any source they see fit, provided they meet the requirements specified by the LSC. Contact with Connexions is vital to make sure young people gain independent professional advice on career choices. This must take place early in the programme. The outline process on which the E2E Passport and E2E programme are based may be subject to minor local variations. The process is as follows.

• Connexions or another partner organisation identifies that the young person may have needs that are best met through a period on E2E, when interviewing the young person or when using the Common Assessment Framework or as part of an activity agreement.

• Connexions or another partner organisation documents its findings on the E2E referral form, and, with the young person’s agreement, copies its assessment findings, together with any other relevant information, to the provider.

• Building on the assessments undertaken by the personal adviser or other professional adviser, the provider undertakes a secondary, more detailed assessment to identify the needs of the learner and to confirm eligibility. In particular, the provider should ensure that the learner has a reasonable possibility of progressing to a positive outcome through E2E. If not, Connexions should continue to work with the young person until they can benefit from E2E.
• The provider completes the ILR in accordance with the current guidance, as well as an E2E programme agreement and an E2E activity plan covering the likely period the learner will stay on E2E. The length of stay should not be extended artificially to meet the 10-week minimum stay rule for EMA. This plan will develop in detail over time. Guidance for completing the ILR is available on the LSC’s website at: www.lsc.gov.uk/providers/Data/.

• Providers are to record E2E as a learning programme as well as all other learning aims on the ILR to ensure that all learning is captured. This especially applies to basic skills and all Skills for Life qualifications, as the LSC believes these qualifications are currently being under-reported.

• The provider will begin delivery of the programme and continue to assess the learner’s needs for a period not exceeding six weeks.

• The provider should within six weeks arrange a case conference with the personal adviser, the learner and the provider’s key worker for the learner, during which the key objectives for the learner’s time on E2E, the activities to be undertaken for the remainder of the programme, the anticipated length of the programme and the learner’s suitability for E2E will be confirmed. The personal adviser will sign the E2E programme agreement confirming this.

Documentation

546 Therefore, within six weeks, the provider will hold completed versions of the following documents:

• E2E referral form (if referred by Connexions or a partner organisation);

• record of initial assessments;

• ILR form;

• E2E programme agreement, signed by Connexions to confirm suitability;

• E2E activity plan.

547 If a young person goes direct to the provider, the provider should check that the learner meets the requirements specified by the LSC, and, if so, commence the assessment and delivery of the E2E programme and E2E activity plan. The provider should make contact with Connexions as soon as possible, which must confirm the learner’s need for E2E and their suitability within six weeks.

548 Eligible young people who are working with a personal adviser under intensive support, or as part of an activity agreement, have a guarantee of a place on E2E. This guarantee takes effect when the young person has confirmed with their personal adviser that they wish to enter E2E, and when the personal adviser is content with the following factors:

• the learner has reasonable potential to gain a positive destination;

• the learner’s immediate barriers to learning have been addressed;

• the learner is ready to enter E2E and can attend for 16 hours a week.

549 The personal adviser must record this. Provider staff must work closely and in partnership with personal advisers, to agree an appropriate start date that meets the learner’s needs. It is not anticipated that this will be delayed by more than six weeks. This transition must be seamless for the learner.

550 During this assessment process, the provider may wish to refer to the detailed assessment arrangements for additional learning needs (ALN) and additional social needs (ASN) contained in Section 13.

Delivery of Entry to Employment

Induction

551 Induction is an essential part of all LSC programmes, and no less so with E2E. However, it is recognised that, with the E2E client group, induction must be delivered innovatively, sensitively and at a pace appropriate to the learner. Therefore the following elements, as a minimum, must be delivered in the first six weeks on E2E programmes:

• terms and conditions of learning;

• the E2E programme agreement and the E2E activity plan, and their context and purpose;

• content of the programme, including the delivery arrangements and preparation for exit;

• implications of poor basic skills;

• assessment processes;

• equality and diversity;

• employment and/or placement responsibilities for both the provider and the learner;

• disciplinary and grievance procedures;

• health and safety responsibilities, legislation and the safe learner concept;

• key contacts with the provider.
Programme of activities

Curriculum

552 The detailed curriculum requirements for E2E are contained in the E2E Prospectus. Providers are responsible for developing, with the young person, an individual programme of activities that takes into account:

- assessment of need, individual interests, progression aspirations and career objectives;
- E2E entitlement curriculum, contained in the E2E Prospectus.

553 These activities will be documented on the E2E programme agreement and the E2E activity plan. This is likely to be done in blocks of time and informed by reviews (both formal and informal). Providers will need to draw up detailed weekly E2E activity plans so that both parties know what to expect during the E2E programme. Further guidance is also available on the LSC website at the link in paragraph 539.

554 The E2E programme agreement is to be used to confirm the involvement of Connexions and the appropriateness of E2E for the learner.

Activity agreements

555 The Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUS) are piloting activity agreements in a number of LSC areas. The aim is to motivate young people to take up education, training and employment, and E2E may be an ideal first step to achieve this. Therefore, young people with an activity agreement are to be treated as on the caseload of a personal adviser and thus have a guarantee of a place on E2E.

Attendance

556 While it is not expected that young people on E2E will be either studying part-time on other LSC-funded programmes or working part-time outside E2E, there may be occasions where parallel study or part-time employment, which is not part of E2E, can be deemed to enhance and contribute to the young person’s development. In such circumstances, and where the learning is not part of the E2E programme yet is clearly in the interests of the learner, parallel study and/or employment may be authorised in conjunction with Connexions, provided it does not initially exceed 10 hours a week. It may be desirable to build up this time over the length of the programme, if the relevance can be clearly demonstrated.

557 Programmes complementary to E2E include volunteering and the Prince’s Trust TEAM programme. Providers are encouraged to use such programmes to broaden the E2E experience, while ensuring that no double funding takes place. For example, where there is state support for volunteering activity, this would not be deemed to be double funding, provided the learner completes their volunteering outside the minimum 16 hours of E2E. All Prince’s Trust TEAM funding is funded from within the learner-responsive funding model. If an E2E learner accesses another funded Prince’s Trust programme, a charge of £75 per full week may be levied by the other provider on the E2E provider. If this charge is made, the other provider is to reduce its LSC claim by the same amount. This ensures the same learning is not funded twice.

558 During the learner’s period on E2E, it is essential that providers prepare the learner for progression and transition to further learning and/or employment. To this end, the provider is to build the programme up to full-time attendance at an appropriate pace. It is not acceptable to deliver a 16-hour programme that does not lead to full-time attendance. Providers should consider how the learner could be introduced to the pattern of their expected attendance at the likely destination while the learner is on E2E. This will mean that, following the initial assessment period, in the early part of the learner’s programme standard attendance patterns are unlikely.

Progression and review

559 Where it is likely that learners will progress to another LSC-funded programme route, learners should pursue opportunities for securing employment while they are on E2E programmes. Providers should also be preparing young people to study for qualifications that are appropriate to their likely progression route. Providers may start the delivery of qualifications and assessments while the learner is on E2E, particularly for key skills, if this is beneficial to the learner.

560 During E2E, learners and provider staff will meet regularly for many reasons other than to review the learner’s progress. It is critical that the learner understands the function and purpose of all meetings. In addition to these meetings, at least every four weeks the provider must review each learner’s progress on E2E. Minor changes to activities should be agreed with the learner and be noted in review documents. Where the review leads to significant changes to the E2E programme agreement, these should, where possible, be agreed with the learner’s personal adviser.

561 Any support arrangements that have been identified should be reviewed and their effectiveness established. Personal advisers must also conduct progress reviews with their clients. These two requirements can be combined into single reviews where appropriate, and where this will benefit the learner. Through these reviews and assessment materials, providers are required to demonstrate continued progress. Review documents will also provide the primary evidence that the learner is still in learning and is progressing towards the goals of their E2E programme. It is essential
that reviews clearly demonstrate progress, and are formally recorded and signed by the learner. Examples of the review processes and associated paperwork are published on the LSC’s website at the link in paragraph 539.

562 If a learner remains on E2E for 22 weeks, the provider must organise a full review of progress involving the learner, their personal adviser and key worker. The review will establish whether the learner’s best interests are being served by continuing on E2E. If so, the learner can remain on E2E and further reviews should be conducted every four weeks. Whenever possible, these should involve the learner’s personal adviser. If it is agreed that the learner would be better served by moving on from E2E, the personal adviser and the key worker will work together to organise this transition.

563 If it is agreed by the provider that a learner is to take an agreed break in learning, then the E2E learning aim is to be closed, as detailed in the Provider Support Manual. On the learner’s return, a new aim is opened up, and the learner is coded as a returner after an agreed break in learning.

Leavers

564 When the learner leaves their E2E programme, the provider must process the ILR as advised in the LSC’s ILR published guidance, Specification of the Individualised Learner Record 2008/09 and the Provider Support Manual at: www.lsc.gov.uk/providers/Data/Datacollection/ILR/. As a minimum, the learner should be awarded an achievement certificate. This certificate should celebrate the distance travelled by the learner, no matter how insignificant this may seem. This is in addition to any certificates for awards or qualifications achieved, which must also be given to the learner. A non-compulsory certificate has been developed by the LSC to support the recording of a learner’s attainments. The certificate and examples are available on the LSC website at the link in paragraph 539.

565 Before a learner leaves E2E, the provider is to make contact with the learner’s personal adviser. The learner should be offered an interview with their personal adviser for independent guidance. This also gives the personal adviser the opportunity to be aware of the circumstances leading up to the learner’s decision to leave. If a meeting is not possible, the provider is responsible for telling the learner’s personal adviser that the learner has left and for explaining the circumstances that led up to the learner’s departure. If the learner is progressing to an Apprenticeship, the provider and personal adviser should assess the learner to establish whether there are additional needs, which may lead to the learner having ALN or ASN status while on later LSC-funded programmes.

566 The provider must make sure that all learners are followed up and supported for at least eight weeks after leaving E2E. The moving-on plan from the E2E Passport should record both the support arrangements that have been planned and agreed with the young person to cover this period and any subsequent activities. The provider is expected to monitor the destination of the learner on leaving E2E and to record this on the ILR.

567 The LSC expects the transition from E2E to a positive destination to be seamless for the learner. This is vital where the learner may otherwise be dependent on benefits. However, the LSC recognises that this may not always be possible. In these cases, key workers should work with the learner and, where necessary, the personal adviser in order to agree the best course of action and act upon it. If immediate progression is impossible, providers and personal advisers should liaise with Jobcentre Plus to establish the learner’s eligibility for benefits. Referring a learner to Jobcentre Plus without support is not acceptable. If in doubt, providers should liaise with their LSC contact.

568 All work conducted by the learner on E2E is the property of the learner and they should be encouraged to take it away as evidence of their achievements. This also applies to portfolios and the full E2E Passport.

Financial support

569 All starters on E2E are eligible for the EMA (provided they meet the EMA criteria). Learners receiving the EMA will qualify for EMA bonuses, as detailed in the EMA guidance. Bonuses for those not receiving the EMA are at the discretion of providers, and no additional funding is available for this.

570 Providers are required to administer the EMA system and to support learners in applying for the EMA. Detailed guidance on the EMA for providers of LSC-funded E2E is available on the LSC website at: http://ema.lsc.gov.uk/ema-guidance/guidance-2008-09. Providers are reminded that this guidance forms part of their funding agreement.

Expenses

571 All E2E learners are to be reimbursed in full for necessary expenses incurred, to overcome barriers to participation on E2E.

Weekly unit cost and bonuses

572 The funding arrangements for E2E follow the demand-led funding methodology. In the formula, an E2E week is counted as a standard learner number (SLN) value. SLN values are also given for bonus payments and are designed to contribute to the fixed costs of having places available, and to the learner-associated costs (for example, expenses), as well as to encourage achievement and progression. SLN weekly values are counted for learners remaining on their programme each Monday (this includes those learners not required to attend on Mondays but who are in-learning later during the same week). Provider bonus(es) are explained below.
Provider bonuses: These are paid to recognise the achievements of providers in helping learners achieve qualifications and progress to positive destinations. The bonuses can be claimed after the learner leaves E2E until the ILR provider success closure date (which is in February in the following year), if the provider can prove they remained in contact with the learner during this time. The bonuses are paid at two levels – basic and enhanced. Providers may claim a maximum of one basic and one enhanced progression qualification bonus for each learner. Bonuses are included as part of the monthly profiled payment and are reconciled, based on achievements. Bonuses are claimed through the ILR. The bonuses are:

- a **basic** qualification bonus, which is paid for the achievement of any qualification in the NQF or the QCF at Entry Level. Where the qualification has differentiated levels (for example, basic skills qualifications), this means Entry Level 3. This basic bonus is also paid for key skills at Level 1 for IT, Working with Others, Improving Own Learning and Problem-solving and for any qualifications recognised as counting towards Skills for Life targets;

- an **enhanced** qualification bonus, which is paid for achievement of:
  
  i) qualifications listed on the NQF or the QCF at Level 1;
  
  ii) Level 1 equivalents approved by the LSC;
  
  iii) key skills in Application of Number or Communication at Level 1 or above;

- a **basic progression** bonus that is paid for progressing the E2E learner into one of the following three destinations, where this does not include accredited learning to Level 2:
  
  i) a place in college or other structured learning that exceeds 16 hours a week or is classified as a full-time course (that is, over 450 glh a year);
  
  ii) paid employment (including with an agency) that exceeds 16 hours a week;
  
  iii) a full-time place on New Deal;

- an **enhanced progression** bonus, which is paid for progressing the learner into one of the following destinations, where this does include accredited learning to at least Level 2:
  
  i) a full-time Apprenticeship or an Advanced Apprenticeship, including programme-led pathways or Programme-led Apprenticeships;
  
  ii) a place in college or other structured learning that exceeds 16 hours a week or is classified as a full-time course (that is, over 450 glh a year);

iii) paid employment (including with an agency) that exceeds 16 hours a week;

iv) a full-time place on New Deal.

Progression bonuses are only payable if the learner stays in the position for a minimum of four weeks (28 days) and are not payable until the learner leaves E2E. The definitions above also apply to the definition of a positive destination. However, the four-week rule does not have to be satisfied for a destination to be deemed positive.

Non-accredited youth awards

The LSC recognises the role of non-accredited awards in E2E as a valuable and effective method of accrediting personal and social development. For that reason, the LSC now recognises a range of non-accredited awards for E2E bonus purposes. These are shown in Table 8. Enquiries concerning these awards should be directed to the National Youth Agency on 0116 242 7350.
<table>
<thead>
<tr>
<th>Award</th>
<th>Qualification for basic bonus</th>
<th>Qualification for enhanced bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>AQA Unit Award Scheme</td>
<td>Two or more appropriate units to a total of 60 hours</td>
<td>Four or more units at Level 1 to a total of 120 hours</td>
</tr>
<tr>
<td>ASDAN</td>
<td>1. FE award level upwards 2. Two credits of Level 1 award 3. Short course awards at Entry Level</td>
<td>1. FE ASDAN award at Level 1 2. Short course award at Level 1</td>
</tr>
<tr>
<td>U Choose (a Chrysalis Club 2000 programme accredited by ASDAN)</td>
<td>ASDAN Bronze Award at Entry Level</td>
<td>ASDAN Bronze Award at Entry Level plus one wider key skill at Level 1</td>
</tr>
<tr>
<td>Connect Youth</td>
<td>Two credits</td>
<td>Open College Network (OCN) accreditation for youth exchanges or group initiatives at Level 1</td>
</tr>
<tr>
<td>Duke of Edinburgh’s Award</td>
<td>Any two of four sections of Bronze Awards</td>
<td>Bronze Award</td>
</tr>
<tr>
<td>Fairbridge</td>
<td>ASDAN Entry Level award</td>
<td>ASDAN Level 1 award</td>
</tr>
<tr>
<td>Getting Connected</td>
<td>Two units (at least) at Level 1</td>
<td>Four units (at least) at Level 1</td>
</tr>
<tr>
<td>Girlguiding UK</td>
<td>N/A</td>
<td>Leader qualification Level 1</td>
</tr>
<tr>
<td>National Association of Clubs for Young People</td>
<td>Keystone Bronze Awards</td>
<td>Keystone Silver Awards</td>
</tr>
<tr>
<td>National Open College Network (NOCN)</td>
<td>Two credits at Level 1</td>
<td>Four credits at Level 1</td>
</tr>
<tr>
<td>Prince’s Trust</td>
<td>Prince’s Trust XL Award at Preparatory Level</td>
<td>Prince’s Trust XL award at Level 1</td>
</tr>
<tr>
<td>Scout Association</td>
<td>N/A</td>
<td>Queen’s Scout Award at Level 3</td>
</tr>
<tr>
<td>Sports Leaders UK Award</td>
<td>N/A</td>
<td>Sports Leaders UK Award in Sports or Community Leadership</td>
</tr>
<tr>
<td>Trident Trust</td>
<td>1. City and Guilds (C&amp;G) Profile of Achievement 2. OCR preparation for employment at Entry Level 3. ASDAN foundation for work at Entry Level</td>
<td>1. OCR preparation for employment at Level 1 2. ASDAN foundation for work at Level 1</td>
</tr>
<tr>
<td>UK Youth</td>
<td>1. Bronze Award 2. Four challenges at Silver Level</td>
<td>Silver Award</td>
</tr>
<tr>
<td>Weston Spirit</td>
<td>1. C&amp;G Profile of Achievement 2. Edexcel accreditation for Weston Spirit courses</td>
<td>N/A</td>
</tr>
<tr>
<td>Youthtrain</td>
<td>Two credits at Level 1 award</td>
<td>Four credits at Level 1 award</td>
</tr>
</tbody>
</table>
Allocations, adjustments and reconciliation

575 It is in the best interests of both the provider and the LSC to ensure that allocations are profiled as accurately as possible to reduce the likelihood of over- or under-payments. This will help providers plan their resource needs for the year effectively. Providers in receipt of grant funding will be paid on profile with no reconciliation. Providers who do not receive grant funding will be subject to quarterly profile adjustments and year-end reconciliation as described in the companion document ILR Funding Claims and Audit Returns.

576 Where profiled numbers are not being met, the LSC recommends that providers should work with their LSC contact and Connexions to address the shortfall before the under-occupancy becomes serious. If this is not successful, then the LSC may, at its discretion, insist on a variation. Where under-delivery is persistent, the LSC reserves the right to initiate a variation to the contract or allocation to lower the number of planned places for the remainder of the year, thereby reducing the overall value of the contract or allocation for the year.

Exceptional learning support

577 The E2E SLN value includes an element for ALS. E2E learners are eligible for higher level ALS as is the case for all other 16–18 learners. This process is described in Section 12.

Provider administrative action

578 Provided E2E is properly recorded on the ILR, in accordance with the Provider Support Manual, the LSC 16–18 learner-responsive ILR system will calculate the funds a provider earns for the weeks delivered.

Evidence requirements

579 It is anticipated that most, if not all, of the evidence required for E2E will be generated by the provider’s normal operations and will be naturally occurring evidence. The LSC appreciates that the first six weeks of E2E will be fluid. Providers are to work towards gathering all the required documentary evidence during this time. The evidence requirements at each stage and for each payment are detailed in the companion document ILR Funding Compliance and Audit Guidance for Providers, Annex C.

580 Providers should also keep records of the results of initial and ongoing assessments to support judgements made.

581 If a learner is not able to sign documents, an adult other than their key worker should witness their agreement.
11: European Social Fund

**European Social Fund Co-financing**

582 The European Structural Funds, including the European Social Fund (ESF) operate in seven-year timeframe programmes. The current programme, originally 2000 to 2006, has been extended and will continue delivering until July 2008 in most regions. The new programme, 2007 to 2013, started delivery in May 2008.

583 Co-financing is the process by which a public body combines mainstream public resources and ESF resources to strategically commission projects for the benefit of ESF target groups.

584 The LSC has invited tenders for delivery of ESF provision in the new programme since autumn 2007.

585 The LSC expects to be able to make approved reductions to the data required of match-funded provision in ILR returns for the new programme, for the 2008/09 academic year, after the current programme has closed.

586 For additional information on the impact of the ESF in a particular region, contact the LSC partnership team in the first instance.

**Co-financing Funding Principles**

587 As a co-financing organisation, the LSC co-finances approximately £300 million of ESF activities annually.

588 Contracts are tendered on an open and competitive basis using standard LSC procurement processes. Tenders are then appraised, and successful tenders will enter the contract negotiation stage.

589 Contracts are issued based on costings from the original tender and are linked to outcomes by which the funding is allocated.

590 Profile payments are then drawn down, subject to relevant supporting evidence of agreed outcomes being met.

591 Please note that all LSC co-financed activity is 100 per cent funded, though an individual or employer contribution may be expected.

592 It is therefore inappropriate to draw down other LSC funding for these specific learning aims.

**Match funding**

593 Match funding is the descriptor given to the mainstream public funding used to co-finance ESF-funded projects in the strategic commissioning of a co-financing plan (the planned delivery to ESF target groups).

594 The LSC will be match funding the new programme using mainstream funds which have been tendered, for example: Train to Gain, Apprenticeships, Entry to Employment (E2E) and other programmes to be confirmed later. Any provider delivering any approved match-funded programme could be used to provide match-funded activities in the new programme.

595 Under the current match-funding arrangements, ESF match-funded learners require the completion of additional data sets from other mainstream learners. The proposal for the new programme is that the LSC would only collate one set of data for both ESF and mainstream learners. This will result in a net reduction in administration and bureaucracy associated with the match-funding process. Importantly, however, the co-financing publicity requirements will be maintained so learners will still need to sign by the ESF logo.

596 Match funding in the new programme is eligible from September 2007. The LSC will also be collecting match funding for the current programme during the calendar years 2007 and 2008. If the provision being delivered is to be used as match funding for either programme, providers will be notified.

**Funding Calculation for European Social Fund Direct Bid Projects in 2008/09**

597 ESF direct bid projects in FE are directly funded by government offices. The term ‘direct bid’ is used to distinguish these projects from those funded through the co-financing arrangements. In ESF direct bid projects, ESF has or will be secured through a direct application to the government offices by an FE provider or their agent. LSC funds may have been or may be used as match funding for ESF. Such ESF direct bid projects are not covered by the LSC’s co-financing arrangements. The new programme will not support direct bids. For additional advice on FE direct bid costing procedures, contact the LSC partnership team.
Aim

598 The LSC is seeking to ensure that:

- colleges and providers are confident that retaining ESF monies, even when in a position of underachievement against funding agreement, will not adversely affect future funding allocations;

- the activity in an ESF project that could be eligible for recurrent LSC funding is properly funded according to ESF requirements. The appropriate funding levels are essentially determined by the ESF contract, secured via successful tender.

Impact of the European Social Fund on other LSC funding allocations

599 The LSC does not wish to discourage colleges and providers from securing income from sources other than the LSC. Where a provider succeeds in securing other income, including an ESF grant, the LSC does not take it into account in determining the distribution of LSC funds, nor will it seek to recover such income from a provider.

600 The LSC will not, therefore, take into account underperformance against funding agreement in the allocation of future funds where the underperformance relates directly to the receipt of funds from other sources such as the ESF. Providers are encouraged to retain the relevant ESF monies and to discuss their position with their LSC partnership team.

601 Providers and their LSC partnership teams will wish to ensure that future funding allocations reflect plans for provision and overall funding income, but that under-achievement as a result of ESF-supported activity will not affect future funding allocations.
12: Additional Learning Support: Learner-responsive Model – Funding Arrangements

602 The process for allocating additional learning support (ALS) funding in 2008/09 has changed so that part or all of a provider’s allocation of ALS funds will be based on a formula, with the remainder being negotiated. However, the guidance on recording ALS in the 16–18 and adult learner-responsive funding models for 2008/09 is very similar to previous years’ FE ALS guidance. While the new formula-based allocation system for funds below £5,500 is developed, the LSC is committed to ensuring the new methodology is soundly based and seen by the LSC and providers to be both fair and transparent. Providers are requested to record eligible ALS expenditure in their learner-responsive ILR returns on the same basis for all learners as in the FE ILR for 2007/08. The guidance in this section, and the detailed guidance on completing ALS costs forms in Annex G: Guidance on Completing the Additional Learning Support Costs Form for Providers, reflect this decision.

603 All providers will need to establish the cost of ALS delivered to their learners through their ILR and funding claim returns to the LSC. Providers can record funding for ALS if the costs of the ALS provided are above the minimum ALS costs threshold of £501 for a full-time learner and £170 for part-time learner (detailed guidance is included in Annex G). Providers that are planning to increase significantly the number of learners requiring ALS should contact their LSC partnership team.

604 Provision for learners not subject to reconciliation will not normally face any funding audit assurance work or testing or any retrospective clawback on their ALS claim. All providers are asked to ensure their record-keeping is consistent with the LSC’s desire to reduce ALS bureaucracy as much as possible. In particular, the advice in this section and in the companion document ILR Funding Compliance Advice and Audit Guidance for Providers, Section 4, regarding the new ALS funding formula, global costing and reconciliation of ALS expenditure may be considered helpful as a means of reducing the cost of ALS administration. This advice may be particularly helpful for the lower-cost ALS learners; that is, those with costs below the £5,500 band.

605 In recording and spending ALS expenditure, all providers are reminded to consider the spirit and intention set out in this Guidance, which is that ALS should only be recorded for the additional costs incurred in delivering provision to learners with identified wholly and exclusively additional individual support needs. ALS funding should not be recorded for any general running costs incurred by a provider; the guidance below and in Section 4 of ILR Funding Compliance Advice and Audit Guidance for Providers sets out some of the differences. The LSC remains very concerned about the small number of providers who operate outside the spirit and intention of this guidance.

606 Learners following a Progression Pathway as part of the Foundation Learning Tier (FLT) may access ALS funding to fund those elements of the Progression Pathway that are not linked to qualification aims. These activities must be eligible under guidance detailed in this section. FLT activity cannot be regarded as eligible for ALS simply because the learner is on FLT.

School sixth forms within the 16–18 learner-responsive funding model

607 Schools have been allocated ALS funding for the first time using the formula, which is a contribution to their ALS costs. Schools are encouraged to follow the principles set out in this section in using their ALS allocation, although they are not required to record the use of that funding in detail.
Defining the Principles of Use for Additional Learning Support Funding

608 The circumstances in which ALS is provided using the historic costing methodology are reaffirmed below. From 2008/09 providers are also being funded using the new ALS formula distribution methodology and in many cases by a combination of the two approaches. Whichever method is used, providers should ensure that their use of ALS funding reflects the broad principles set out below and recognise that the priority for all ALS allocations is the support of learners with ALS needs that match long-established guidance on eligible ALS expenditure. Only such eligible ALS expenditure should be returned through the ILR for 2008/09.

609 This approach will enable the LSC and providers to have objective discussions in the future about the negotiated elements of ALS allocations and expenditure so resources continue to be targeted appropriately.

610 The LSC will expect providers who have negotiated a significant ALS allocation over and above their formula-based allocation to maintain in full traditional ALS expenditure records to justify their higher negotiated allocations. For providers whose ALS allocation is close to their formula-based allocations, much simpler methods of recording and attributing ALS expenditure on a global basis would be expected.

611 The activities for which ALS funds may be used are intended to be additional activities that provide direct learning support to learners. They are not intended to include activities that would more usually be classified as learner financial assistance. Consequently, the definition of ALS used for funding purposes does not include childcare or transport to the provider, although it could include transport between different sites of the provider for learners with mobility difficulties.

612 Where most learners in a group appear to require additional help to succeed in their learning programme, this should be addressed in the design and delivery of the main learning programme or by reconsidering the choice of programme for these learners, rather than by applying the ALS mechanism. This would not, however, apply to discrete groups of learners with learning difficulties and/or disabilities.

613 Similarly, where it is apparent that an individual is following a programme at a level above that for which he or she has been assessed as capable of achieving, consideration should be given to a more appropriate choice of programme for the individual. ALS funding should not be used to alleviate such a situation.

614 ALS should not be used to lengthen artificially the working week or working year for learners where the provider has reduced the hours for the standard learning programme.

615 It is not intended that ALS should be used to deal with the everyday difficulties experienced by learners on their programmes (for example, an A-level Mathematics learner experiencing difficulty with calculus), nor for such activities as preparing for university entrance.

616 Each provider should determine which elements of support are additional to those already offered in an individual’s learning programme and could, therefore, be costed to substantiate the college’s or provider’s use of ALS funding. Where a learning programme is designed as discrete provision for individuals with learning difficulties and/or disabilities, there should be clear evidence of the provision of ALS before recording that additional learning support costs have been incurred.

617 The phrase ‘standard learning programme’ refers to the actual learning programme that the learner is following alongside their peers. This may include elements of support delivered as part of the curriculum.

618 In many cases, a learner requiring ALS will have had a statement of educational need when a school pupil. Providers will wish, in designing a learning programme, to have regard to a learner’s statement, which is likely to contain useful information.

619 The types of ALS provided for learners may include the following.

- Additional teaching, either to reduce class sizes or to provide support in or out of the class.
- Other specialist staffing: for example, personal care assistant; mobility assistant; reader; note-taker; amanuensis; in-class support assistant; dedicated technician (for supply, maintenance and training in the use of equipment for learners with disabilities and/or learning difficulties); specialist tutor (for example, teacher of the deaf, or teacher of learners with dyslexia); communication support worker (for example, Braillist or support for deaf learners); additional tutor support for counselling and guidance for individual learners that relate to their disability; material adaptation worker; or educational psychologist.
- Funding for a speech therapist and/or a physiotherapist (where such support is identified in a learning agreement as necessary to enable a learner to achieve their learning aims, and meets the definition of ALS). Such support should be funded by the provider and is eligible for ALS funding. Normally, the provision of such support should follow an assessment by an appropriately qualified person. Where speech therapy or physiotherapy is not identified in a learning agreement as necessary to enable a learner to achieve their learning aims and does not meet the definition of ALS, funding should be sought from the relevant health authority.
• Assessment and review pre-entry and on entry, on programme and on exit, where this involves specialist inputs or a higher level of input than that provided on the individual’s learning programme.

• Personal counselling, where such support is necessary to enable a learner to achieve their learning goal.

• Transport between sites and to other off-site activities for learners with mobility difficulties, but not home-to-provider transport.

• Administration linked directly to individual learners that is in excess of usual requirements, for example, time spent negotiating or delivering special examination facilities.

Equipment costs and depreciation

620 While actual equipment costs cannot be recorded through the ALS mechanism, a depreciation charge for the equipment may be included. It should be calculated by dividing the actual cost of the equipment by the estimated number of years of its useful life. Only the appropriate element of depreciation for equipment used by the learner for the time it was used is eligible for ALS funding.

621 If the lease costs are a revenue charge (for example, for an operating lease), the proportionate cost of the lease charge is also eligible for ALS funding. Where a finance lease is used, the depreciation charge is calculated with reference to the capitalised value divided by the term of the lease or useful economic life. This should be calculated by a provider’s finance department, and must be shown in a provider’s accounts.

Basic skills

622 Providers may record funding for providing programmes in literacy, numeracy and language (ESOL) in one of three ways:

a. as a main programme for which the only learning aim is a set of objectives, the ALS costs form may be used for basic literacy in English, to teach the basic principles of Mathematics, or to improve the knowledge of ESOL;

b. as the addition of a literacy, numeracy or language (ESOL) Skills for Life learning aim to a learner’s main programme of study;

c. as ALS where the learner’s programme has a learning aim that is not literacy, numeracy or language (ESOL), but where additional help in any of these areas is provided to the learner.

623 Option (b), the addition of an individually listed literacy, numeracy or language (ESOL) learning aim to a learner’s programme of study, should be adopted where it is in the learner’s best interests and would have a positive effect on the learner’s ability to achieve the main learning outcome.

624 Providers may not record funding through the ALS mechanism in respect of basic skills support for learners who are already enrolled on literacy, numeracy or language (ESOL) learning aims.

Additional Learning Support Costs Form

625 Two versions of the ALS costs form are available in 2008/09. The first reflects the new recording arrangements for claims below £5,500 as part of the new formula-based arrangements. This will be referred to as the ALS costs form (under £5,500). The second form will be used by providers claiming funding for all learners with costs above £5,500. This latter form is referred to as the ALS costs form (over £5,500). The forms are available at:

• under £5,500:
  www.lsc.gov.uk/publications/latestdocuments/Detail.htm?id=d987bbe7-ebc5-483a-99e6-60ecb1d4848a

• over £5,500:

626 Further guidance on the completion of the ALS costs forms is available at Annex G.

627 Providers may decide to consider global recording methods and systems for learners below the £5,500 threshold to reduce the bureaucracy involved either in completing or in reducing the financial content in the individual costs forms for ALS learners. All providers for 2008/09 will, however, need to continue to record ALS on an individual learner basis in their ILR returns. For all learners above the £5,500 threshold the traditional ALS form (over £5,500) must be completed.

628 In 2008/09, all learner-responsive providers will receive a block ALS allocation that will form part of their allocation as detailed on the provision and funding profile from which they will be expected to manage this budget to provide ALS for all learners requiring support. At the negotiation stage, LSC partnership teams will issue providers with an indicative block allocation for ALS. The appropriateness of this amount will be considered during the planning and funding dialogue, as will any requirements for growth, for example to take account of the provider’s intention to attract a particular group of learners with specific learning needs.
For all ALS records over the minimum cost thresholds (see paragraph 636), the LSC will require all providers to complete ALS costs forms, which detail a breakdown of support costs, taking into account the advice in this section.

Where the provider wishes to record ALS above the £5,500 threshold, it should complete the ALS costs form. The form should be signed by a member of the provider’s staff and by the learner, as far as is practicable. Where obtaining a learner’s signature creates practical difficulties, the signature of the member of staff will be sufficient. Providers are asked to make a judgement about when only one signature is appropriate.

The form is intended to provide a standard framework against which providers may assess the additional needs of learners with learning difficulties and/or disabilities and the costs of assessing these needs. The costs should:

- be calculated net of any specific income received from other sources;
- exclude the costs of staff training;
- exclude support costs associated with learners enrolled at school and following link programmes with a provider.

ALS and reconciliation arrangements

While ALS within the 16–18 and adult learner-responsive models will not usually face reconciliation, providers will want to review their actual ALS expenditure during the year and compare that with their planned expenditure. The ILR returns should be based on a reasonable estimate of actual expenditure so that following-year allocations can take account of any variance between actual and planned ALS costs. To keep bureaucracy to a minimum, the LSC is stressing reasonable estimates here rather than precise costs incurred for all learners below the £5,500 band. The same methodology, taking into account the new formula-based distribution system, used for the pre-year planning should then be applied to an in-year review of actual costs. Providers will not face any funding reconciliation adjustment for cost movements either way.

Within the provider’s 16–18 and adult learner-responsive model allocations, the LSC will no longer require providers to make individual evidence available for records up to £5,500, but would expect providers to maintain records of learner assessment, individual learning and support plans, and monitoring, review and outcome records for learners who are allocated funding under ALS expenditure. These records should be in place as part of normal educational practice and should not therefore represent any increase in bureaucracy.

For all records over the £5,500 threshold, the LSC will require all providers to complete in full for each individual learner the ALS costs form (over £5,500), which details a breakdown of support costs.

All Providers

Claims above £19,000

The initial £19,000 of a claim will be resourced from the provider’s block allocation, and additional payments will be made, where relevant, for the balance above £19,000. For example, if support needs were costed at £21,000, the provider would fund £19,000, with the remaining £2,000 coming from a separate budget held regionally. Any claim above £19,000 should be referred in advance of delivery to the LSC partnership team for approval in principle. The final claim, based on actual costs incurred during the year, must be submitted to the LSC within the timetable for the provider’s final funding claim as stated in Table 1 of the companion document ILR Funding Claims and Audit Returns.

Recording additional learning support in the learner-responsive ILR

The minimum threshold for recording ALS expenditure requires providers to record funding for ALS at or above £170 for part-time learners and £501 for full-time learners. This reflects the assumption that a degree of ALS is built into providers’ mainstream programme funding. Providers are expected to provide ALS to all learners with assessed and diagnosed ALS needs, but only where the costs of providing the ALS are in excess of these thresholds will the funding be ‘counted’ as ALS.

There is very little change to the way the ILR should be completed to record ALS. Values are required in field L31 (additional support cost) where the costs of ALS are at or above the thresholds of £170 or £501 for part-time and full-time learners respectively. It is also good practice to record ALS costs below these thresholds, but this remains optional.

Thresholds

The thresholds for part-time and full-time full-year learners’ costs remain at £170 and £501 respectively. Expected ALS costs must be at or above these levels before additional funding can be recorded. The definitions of full-time and part-time learners are given in Section 3: Definitions and Terminology at paragraphs 105 and 144 respectively. These thresholds will be applied on an annual basis where the costs connected with the planned ALS provided for a learner meet or exceed the threshold for claiming ALS. If the learner subsequently withdraws from their programme, the ALS record should be adjusted to the actual costs incurred.
ALS records should be calculated using the expenditure incurred during the teaching year. This will give an estimated annual expenditure, which must exceed the relevant minimum threshold values for ALS funding to be recorded.

Providers may apply to their LSC partnership team for specific additional financial support for learners whose ALS costs exceed £19,000. In such cases, it will be necessary to demonstrate the need for such additional funds.

Compliance evidence

Where the provider wishes to record ALS, the individual’s learning agreement should give a summary of the additional support to be provided to the learner, and a copy of the ALS costs form should be retained with the learning agreement. It is intended that the form be retained by providers as auditable evidence in support of a record for ALS expenditure. Care should be taken to ensure that planned expenditure does not make disproportionate use of public funds.

The provider should also be able to make available to its auditors sufficient evidence to show that the ALS recorded was made available to the learner. Further compliance advice for all providers is available in the companion document ILR Funding Compliance Advice and Audit Guidance for Providers.

Advice on Initial Assessment of Learning Support Needs

The evidence for recording ALS funding (that is, the completed form) is the outcome of the process of initial assessment for learning support. This initial assessment process generally occurs at the pre-entry and entry stages of the learning programme, and may be considered to have three main elements:

- initial identification of the learners who will need learning support;
- detailed assessment of their learning support needs;
- development of a plan to provide ALS.

Providers will use a range of assessment instruments and strategies throughout the learning programme to identify individuals’ ALS needs. The assessments carried out should be relevant and identify individuals’ needs within the context of the curriculum they will be following. There is no standard assessment method that all providers should use, and providers will make their own judgements as to the most relevant assessment methods and materials to use for particular learners.

Once the provision required to meet an individual’s ALS needs has been identified, it can be costed and the ALS costs form completed where appropriate. This stage of the process will typically take place during the induction phase of the learning programme.

There are some learners who will have needs that are not identified during the pre-entry and entry stages. It is important that, as soon as these needs are identified, an assessment is carried out and the ALS costs form completed. An individual’s learning support needs may change during the programme and, if a review of that person’s needs leads to a significant change in the provision being offered to them, the form should be revised.

Possible stages in the process of identifying and providing ALS are set out in Table 9.

Providing Compliance Evidence of Additional Learning Support

These paragraphs of guidance are written specifically for the guidance of all providers from 2008/09.

In planning their provision for 2008/09, providers will have prepared an estimate of the funding for ALS required for the year. The estimate of this funding will draw on information derived from strategic planning activities, including multi-agency collaboration, school links, careers information and other activities.

Once the learners are engaged on their learning programmes, the provider is required to maintain evidence of the ALS being provided in order to account for the ALS funding to be recorded.

The ALS costs form provides information on the costs of providing ALS. It will form part of the audit evidence to be retained by the provider in support of its records for ALS funds. In addition, providers should have available evidence of the assessments that were carried out as part of the process of identifying the support required by the individual.

The process of initial assessment for learning support should be integrated with the other processes carried out during the entry phase of the learning programme. Providers should consider how the various documents and auditable evidence required for the entry element are co-ordinated.
Table 9: Stages in the process of identifying and providing additional learning support

<table>
<thead>
<tr>
<th>Timing</th>
<th>Process</th>
<th>LSC requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous provider year</td>
<td>Strategic planning, including activities such as liaison with schools and multi-agency planning</td>
<td>Strategic plan, which includes a needs analysis of learners with learning difficulties and/or disabilities</td>
</tr>
<tr>
<td>March of previous year</td>
<td>Estimate of numbers of individuals requiring ALS and the scale of their needs</td>
<td>Provision of supporting information to LSC partnership team, including an estimate of the amount of ALS funding required</td>
</tr>
<tr>
<td>Pre-entry or entry</td>
<td>Initial identification of needs; that is, admission and induction processes, and detailed assessment of each individual’s ALS needs</td>
<td>Back-up evidence for the ALS costs form</td>
</tr>
<tr>
<td>Entry or induction</td>
<td>Development of a plan to support learning, and costing of ALS that is to be provided</td>
<td>Completion of the ALS costs form</td>
</tr>
<tr>
<td>On-programme</td>
<td>Regular review of ALS needs</td>
<td>Revision of the ALS costs form as required</td>
</tr>
<tr>
<td>Achievement</td>
<td>Identifying support requirements for end-of-programme review, assessment and accreditation</td>
<td>Estimate of costs to be included in ALS costings</td>
</tr>
</tbody>
</table>

Costing Additional Learning Support

653 These paragraphs apply to all providers for 2008/09.

654 The outcome of the initial assessment is an ALS plan that details the provision a learner will need in order to achieve their learning aims. This provision should be costed as part of the process of completing the ALS costs form. The costings used in completing the form should reflect the actual costs borne by the provider. Providers should adopt costing formulas that reflect the variations in their provision.

655 The following points may be helpful when costing the provision.

- Providers should not include overhead costs such as central services or premises costs in the calculation of additional costs, as these are already met from the base unit of resource in recurrent funding.
- Additional teaching costs should be based on staff salaries plus on-costs and contracted hours.
- Costs for support staff could be calculated in the same way as costs for additional teaching.

- The costings should relate to direct learning support for individual learners. The costs of a learning-support co-ordinator may be included where the member of staff concerned is providing direct support to an individual learner.
- Where learners are on a discrete programme, the additional costs of teaching smaller groups of learners can be included on the form. Before claiming any additional costs, providers should reassure themselves that there is a clear rationale for restricting the size of the group, based on the needs and characteristics of the learners.
- Providers should calculate the additional costs by subtracting the average teaching cost for each learner on a standard programme from the teaching cost for each learner on a discrete learning aim. The costs of any other additional learning support provided within a discrete programme should also be included in the costing.
- Providers may include a depreciation charge for capital equipment on the form. This should be calculated by dividing the cost of specialist equipment by the estimated number of years of its expected life.
• The costs of any assessments required to identify equipment needs can be included in the costing of initial assessment.

• Maintenance of equipment, and training for the learner in the use of the equipment, may also be included.

• Where a learner needs to have their learning materials adapted, the cost of preparation may be included in the form. This may involve tutor, administrator or support-staff costs.

• The cost of providing ALS during the assessment of achievement should be included. This might include, for example, extra examination invigilator time, a note-taker or an amanuensis.

• The cost of transport can be included within the form where the learner is being transported between provider sites or where transport to a particular place is an integral part of meeting the learner’s learning support needs, for example, as part of the learner’s mobility training.

• Administrative costs in excess of the usual requirements for an individual can be included in the costings. For example, this could include liaison time with other agencies and time spent negotiating special examination facilities.
13: Additional Learning Support: Apprenticeships within the Employer-Responsive Model – Funding Arrangements

656 The guidance for additional learning support (ALS) within the employer-responsive funding model for Apprenticeships in 2008/09 is very substantially the same as that for work-based learning (WBL) in 2007/08. The Learning and Skills Network has issued an effective practice guide on supporting providers at: www.lsneducation.org.uk/pubs.

657 The LSC will also consider, for Train to Gain (TtG) learners, on an exceptional basis, claims for additional activities that provide direct learning support to learners. As the majority of learning provision on Train to Gain is likely to happen in the workplace, there will be few – if any – additional ‘costs of learning’ for individual participants to bear. With this in mind it is considered extremely unlikely that learners will need to apply for financial learner support. However, any individual’s eligibility for learner support should be determined by the context in which their learning takes place. The activities must be additional to what should be provided by the employer to support the learner’s employment. For all such approved claims, all the guidance in this section is applicable to each Train to Gain learner. LSC Regions will determine whether Train to Gain ALS is provided centrally or across a range of providers.

658 Providers are required to ensure that appropriate support is given to a young person to meet their identified additional learning and support needs (ALSN). Where a young person is receiving support from a personal adviser during the course of their learning programme, the additional learning and support plan designated to address the learner’s needs should be shared with them. ALS funding is provided to meet the costs of additional support delivered as a result of the assessment of the learner.

659 The input from personal advisers remains vital, and providers should maintain their working relationship with them and focus on the needs of the learner rather than on the endorsement form. It is also essential that providers build on and do not duplicate assessments carried out by the personal advisers. Personal advisers will want to be involved with learners on their caseload, and providers should not restrict their access to learners. The practice of three-way case conferences between providers, personal advisers and learners is still viewed as good practice and should continue where it is established.

660 In outline, the guidance on ALS is set out in the following points.

• Providers are required to document their arrangements for the identification of those with additional learning support needs, the planning of learning and support to meet those needs and progress review arrangements. These records are to be available on request.

• Providers are to develop and implement an ALS plan for each learner for whom they claim ALS.

• The focus of audit will be on naturally-occurring evidence generated by the provider’s process.

• Providers are required to notify Connexions monthly of those apprentices under 19 receiving ALS funding.
Under the Learning and Skills Act 2000, the LSC has a duty to meet the needs of young people with learning difficulties and/or disabilities. In Chapter 21, paragraph 13 of the 2000 Act, a person is defined as having learning difficulties if:

- they have a significantly greater difficulty in learning than the majority of persons of that age;
- they have a disability which prevents or hinders them from making use of facilities of a kind generally provided by institutions providing post-16 education or training.

There are three categories of ALS that are funded by the LSC. These are:

- additional learning needs (ALN) – needs related to the learner’s intrinsic ability;
- additional social needs (ASN) – needs related to emotional, behavioural or motivational difficulties;
- both ALN and ASN.

In addition to making funding available for these categories, the LSC will meet exceptional costs that are likely to exceed the notified threshold, when calculated using estimated costs, over the full length of the programme. Provision of specialist support and equipment for learners with disabilities will also be met from exceptional learning support (ELS).

Learners with ALS needs will enter different programmes depending on their needs and abilities. The programmes they can enter and receive ALN or ASN support for are as follows.

- Apprenticeships: This applies to young people who wish to undertake Apprenticeships by either the programme-led or employer-led pathway, and who are assessed as having ALN or ASN. They are assessed as being capable, with appropriate support, of working towards an Apprenticeship.
- Advanced Apprenticeships: This applies to young people who wish to undertake Advanced Apprenticeships and who are assessed as having ALN or ASN. They are assessed as being capable, with appropriate support, of working towards an Advanced Apprenticeship. It is anticipated that this group will be limited to those with specific learning difficulties, for example severe dyslexia.
- Train to Gain: Learners following TtG are able to access stand-alone Skills for Life qualifications and therefore are not eligible for ALS funding to deal with literacy or numeracy issues. However, they may have associated problems which act as a barrier to learning. Examples include visual or aural impairment, physical mobility issues and dyslexia. These barriers are wholly linked to learning and not to the work being undertaken by the learner. It is not expected that TtG learners will access ASN.

Assessment

It is the Apprenticeship provider’s responsibility to ensure that a young person who may have ALN or ASN is comprehensively assessed using recognised methods. This includes interviews, formal assessments, observation, reviewing written information, and self-assessment activities. Further guidance is available in the good practice guide, *Identifying and Supporting Learners with Additional Needs* by Lynne Clough (Learning and Skills Development Agency, 2006), which is available from the Learning and Skills Network website at: www.lsned.org.uk/pubs. Assessment is not funded through ALS funds but included within the base rates for the programme.

On referral to an Apprenticeship, it is anticipated that the referral agency will have already gathered relevant information to support the provider in carrying out an initial assessment of a young person. Personal advisers, for example, may have used the Assessment, Planning, Implementation and Review framework for this purpose. With the young person’s agreement, this information can be shared and should help ensure that learners are not subjected to repeated initial assessment activities by those professionals working with them.

Figure 1 is a diagrammatic representation of the process for assessing ALS needs.
Figure 1: The additional learning support needs (ALSN) process

- Learner referred to provider from referral agency
- Learner self-refers or employer referred to provider

Provider collects any evidence/results of previous assessments

Learner’s needs formally assessed against ALS criteria

Are ALS needs identified for the learner? [Yes/No]

- No further action
- Yes

Prepare ALS plan for the learner and liaise with personal adviser as necessary

Learner supported by personal adviser on programme? [Yes/No]

- Yes
- No

Provider shares ALS plan with personal adviser

Learner’s ALS plan implemented

Learner’s progress reviewed against the ALS plan regularly
Assessment for additional learning needs in Apprenticeships

668 Personal advisers will have collected information on a young person’s educational history and will also have information on particular areas of their skills levels. This information will help the personal adviser make the initial judgement as to whether the learner does or does not have ALN. In some cases, the personal adviser may also have access to previous detailed assessments of the learner’s basic or key skills levels, for example if the young person has had a statement of special educational needs at school. If this is the case and the young person agrees, the personal adviser should share this information with the provider.

669 If sufficient information is not available to make a judgement, or if what is available is out of date (over two years old), the provider will carry out a second, more detailed assessment using the Basic Skills Agency (BSA) initial assessment materials (July 2002) or equivalent materials that are identified by the publisher as being based on the Adult Literacy and Numeracy Standards 2000. This process will identify the learner’s current level of basic skills. A formal assessment should not be conducted when the young person is obviously below Level 1 or when it would cause severe stress to the young person to do so.

670 Where the initial assessment reveals a basic skills level below Level 1 in literacy or numeracy against the 2000 standards, this confirms the need for ALN support. Where the judgement is made without a formal assessment, it is the agreement of the learner that confirms the need for ALN support.

671 Some learners will enter Apprenticeships having already achieved a Level 1 or Level 2 key skills external assessment examination standard by proxy. It is necessary to treat each group separately.

- Entry with a Level 2 proxy: Learners entering Apprenticeships with a Level 2 proxy qualification, for example a learner with a General Certificate of Secondary Education (GCSE) in English at grade C or higher (for Communications), would not normally qualify for ALN support unless there were special circumstances, for example severe dyslexia. An assessment for this purpose is therefore not required.

- Entry with a Level 1 proxy: Learners entering Apprenticeships with a Level 1 proxy qualification may have GCSE grades D–G in English, Mathematics or IT. Although these are technically Level 1 proxies, it does not mean that the learner does not have a learning need, nor does it mean that they will not need substantial support to complete the programme successfully. Where the personal adviser or provider staff believe additional support may be needed, learners in this group should complete the initial assessment. Where the results indicate a need (as above), the ALN support can be accessed.

Details of proxy qualifications are posted on the Qualifications and Curriculum Authority (QCA) website at: www.qca.org.uk/qca_6562.aspx.

672 The assessment of the likely NVQ achievement level is separate from the basic skills initial assessment. This is a matter of professional judgement on the part of the provider and the personal adviser. In order to decide which level NVQ the learner is to work towards, all aspects of the initial assessment process, of which the BSA material is only one element, should be used by the learning provider. Providers should refer to the good practice guide Initial Assessment of Learning and Support Needs and Planning Learning to Meet Needs (Department for Education and Employment, May 2001) which is on the LSC website at: http://readingroom.lsc.gov.uk/pre2005/quality/goodpractice/initial-assessment-of-learning-and-support-needs-and-planning-learning-to-meet-needs.pdf.

673 The LSC also recognises that some learners have ALN that are over and above those of literacy and numeracy and relate to other needs. The BSA initial assessment materials, or an equivalent test, will provide evidence of the need for ALN status in the majority of cases. However, there may be cases where the results do not produce the evidence to warrant the allocation of ALN funding. In such instances it is the provider’s responsibility to demonstrate that, despite the initial assessment not indicating a need, they have other evidence that confirms there is a need for ALN.

Assessment for additional learning needs in Train to Gain

674 TtG providers are funded for Skills for Life Qualification either as stand alone or combined and delivered in parallel with an NVQ. Therefore ALN funding is not applicable to meet literacy and numeracy needs. However, it may be that support is required for learning to take place that would not be supplied by the employer in the normal course of an employee’s work: for example, signers, readers and help with dyslexia.

675 The provider in conjunction with the employer should undertake a formal assessment to identify the barriers to learning and achievement. From this an action plan should be drawn up and included within the learner’s individual learning plan (ILP).

Assessment for additional social needs in Apprenticeships

676 The Assessment, Planning, Implementation and Review framework covers a wide range of barriers to learning, including social support needs. This means that personal advisers are likely to have gathered assessment information that would help to identify whether a young person has ASN. Again, if the young person agrees, the personal adviser should share this information with the provider to avoid the need for further assessment in these areas.
The assessment process used by providers must consider a young person’s social support needs. Providers should use a process that identifies the barriers to learning. If there is clear evidence that the young person has needs relating to 2 or more of the 10 barriers listed below, then the learner qualifies for ASN. The 10 barriers are:

- recent or current offending behaviour;
- poor or erratic attendance during the last year of education, exclusion from school or no record of school;
- an unsupportive or unsupported home environment (including care leavers and carers);
- significant problems with confidence or self-esteem;
- significant problems with motivation or attendance (on a programme);
- attitude or behaviour problems (including losing a placement because of this);
- drug or alcohol problems;
- health problems (including mental health and phobias);
- significant problems with communication and interaction;
- single parents with particular difficulties finding time to learn.

In special circumstances where it is clear that one of these barriers is great enough to be a major obstacle to learning, this will be enough to trigger the ASN support.

The young person’s extra social support requirements would not normally affect the level of programme they should follow. However, if ASN is combined with ALN, or there are other special circumstances where the provider and the personal adviser consider that a programme leading to a lower level of qualification is more suitable, the provider and the Connexions personal adviser should agree this.

Assessment for additional social needs in Train to Gain

It is not expected that any learner following TtG will require support that would be classified as ASN. This is due the nature of the programme where all learners are employed and are over 19 years of age. If a TtG provider wishes to access ASN funding for a learner they should contact their LSC partnership contact for agreement.

Further guidance on assessing additional social needs

This guidance aims to help the provider and personal adviser with arrangements for assessing ASN. This is not, however, meant to provide a definitive set of guidelines for identifying young people with ASN. It should not be used as a rigid tool so that ASN is defined so tightly that it rules out young people who should receive additional support from the LSC.

Recent or current offending behaviour

The young person should be known to the criminal justice system and be considered by others or themselves to be at risk of re-offending, or still be offending. Where offending behaviour appears to have come to an end and there is no record of further problems, these criteria should apply only if the original offence is still affecting the young person’s life (this could include serious offences that make it more difficult for them to gain employment, or to access training without additional supervision and support).

Poor or erratic attendance during the last year of education, exclusion from school or no record of school

This may be evidenced from the school records held by Connexions, or by the young person themselves when school records are incomplete or unavailable. It includes all those who missed regular full-time schooling, whether this was as a result of behavioural problems such as bullying, moving around the country or truancy and so on. In the case of a conflict between school records and the evidence of the young person, greater weight should be given to the testimony of the young person. Evidence from parents, guardians or professionals may also be used as required. Young people who have been tutored at home or who have attended alternative education programmes, which are often part-time and have reduced attendance requirements, may also be included.

Unsupportive or unsupported home environment

The following should be considered:

- all young people who are living independently (whether they are care leavers or have left home for other reasons);
- those living in temporary accommodation or of no fixed abode should be automatically included;
- those who are carers who have no other substantial support;
• those living away from the family home with other members of the family, as this may indicate conflict or other problems.

686 For young people who have been in care for short periods of time, their home circumstances and the impact that this has had upon them should be evaluated.

687 Evidence may be available from support workers, but information from the young person should also be acceptable where substantial problems have been identified. Examples of this may include:

• where families are in crisis or unable to cope;

• where there are dependency problems within the family;

• where changes to the composition of the family have brought young people into conflict, for example with a new partner of a parent or carer;

• where the young person is used to care for siblings to the detriment of their programme;

• where the young person comes from a culture of entrenched unemployment that affects their commitment to training.

Significant problems with confidence or self-esteem

688 While everyone lacks confidence in some situations, young people with significant problems are likely to demonstrate high levels of anxiety about doing anything new, and may dwell on their failures rather than their successes, feeling unable to take even small risks. They will be either withdrawn and uncommunicative or extremely disruptive in their attempts to avoid failure. They will probably have unrealistic expectations of what they should achieve, and so attempt little because of this fear. Young people with low self-esteem may show extremes of behaviour, such as aggression and bullying, or they may avoid contact with others.

689 Further indicators include the way that young people present themselves. For example, they may have poor personal hygiene, be unkempt or even threatening in their appearance. Young people with low self-esteem are likely to feel rejected, and will therefore be unable to feel positive about themselves, or accept themselves for who they are.

Significant problems with motivation or attendance

690 Young people who can be shown to have received a thorough initial assessment and to have received support to identify and address any underlying problems, but who still demonstrate significant problems with motivation and attendance, should be considered. This may be a continuation of school patterns. The provider should also consider and address any difference in patterns emerging from attendance at the workplace and in-house learning. The work that the provider undertakes to address the problems may reveal the need for a structured and more intensive programme of support.

Attitude or behaviour problems

691 This includes young people whose attitude or behaviour problems mean that they are likely to need a high level of supervision and additional support to make the transition to the workplace, or a high level of support and supervision in the workplace. Evidence for this may be available from those supporting the young person when they join the programme, or from school records, but young people must also be given the opportunity to make a fresh start where this does not endanger themselves or others. Those who might be considered to be at risk may be expected to have undergone a risk assessment, and this will be acceptable evidence for this criterion. Alternatively, the provider must have evidence that has been generated during the programme. Evidence should show the involvement of more than one member of staff, and that the young person has been fully involved in addressing the problems. Where a learner has lost a placement, this must be shown to be as a result of their poor attitude or behaviour. Evidence may include records of the support the provider has given the young person, corroborated by the employer. It will be important to show that the problems were not caused by inappropriate placing or a personality clash.

Drug or alcohol problems

692 This does not include those who could be considered to be recreational users, where their use of drugs, alcohol or other substances does not impact upon their programme in any way. These issues should be addressed in the normal course of training. Evidence for drug or alcohol problems will usually come from their timekeeping, concentration, behaviour and so on. While some young people may be accessing support, the majority will not and may not even have accepted that they have a problem. It will be important to build trust to facilitate these discussions. In the most severe cases, where young people need and are prepared to undertake rehabilitation, it may mean that a more flexible programme should be considered.

Health problems

693 It is important to clarify the difference between health problems that can be addressed by the provision of specialist equipment and those problems that require higher levels of support to ensure that the young person is able to make the most of their learning. It is likely that only a small percentage of young people will have seen an educational psychologist or have been statemented at school, and this information will usually be held by
Connexions. A higher percentage will have undiagnosed problems leading to behaviours that will mean that some of these individuals may be assessed under other categories. Young people are often reluctant to admit to mental health problems because of the stigma attached to them. A young person with a phobia will have intense symptoms of anxiety, but these fears will arise only in the particular situations that frighten them. A phobia is likely to lead to the young person avoiding situations that they know will cause them anxiety. In the worst cases, their life will be dominated by the precautions they have to take to avoid the situation they fear. Support may be required to help them to face any issues that impact upon their programme and to seek medical help where appropriate.

**Significant problems with communication and interaction**

694 A young person with significant problems with communication and interaction will usually be identifiable from the first interview. Individuals may have problems communicating with all age groups, or with specific groups. For example, some young people have particular difficulty in communicating with adults, or those who may be perceived as being in authority. They may also interact inappropriately in certain situations. These young people may have difficulty in listening to what others are saying and in reading other people’s facial cues and body language. Some young people will talk very quietly, avoid eye contact, and display an inability to hold a normal conversation and a reluctance or inability to ask questions – they are often termed as being extremely shy. Others may be unable to hold a normal conversation without shouting or being overly demanding. They may tend to invade other people’s personal space, and appear to be aggressive. In group situations, young people meeting these criteria may be at either end of the continuum, being either extremely withdrawn or disruptive. In the workplace, young people with communication problems will find it hard to build working relationships and to develop the support that they need in order to learn. In some cases this may affect their ability to work safely. This may also apply to young people with language difficulties or those who speak English as a second language.

**Single parents with particular difficulties finding time to learn**

695 This includes young people who are solely responsible for the support of one or more children, and pregnant young women who are without the support of a partner. These young people would be unlikely to access a course at an FE college or lifelong learning provision. They are likely to have had a disrupted or possibly unsuccessful experience of school. Consideration should also be given to young people entering transient relationships, or where the cohabitee may not have the maturity to support the applicant.

**Meeting and Reviewing Identified Needs**

696 Having identified ALN or ASN, the provider should plan and deliver a programme of activity designed to address the learner’s needs. In the case of ALN, this should include addressing basic skills needs where these affect the learner’s ability to achieve their primary learning goal.

697 It is the provider’s responsibility to be able to demonstrate how the outcomes of the assessment process have informed the development of an appropriate ALS plan for each learner. The LSC does not intend to produce a standard format for this, as providers may prefer to produce a learning journey-type document that integrates ALS into the ILP or develop a stand-alone plan. As a minimum requirement, however, plans will need to detail:

- the nature of support to be provided to meet the identified needs;
- when support will be provided and by whom;
- the time period covered by the plan;
- the learner’s confirmation of the plan;
- how allocated funds have been used to support the learner above and beyond what would be provided for a learner without ALN or ASN.

698 Where an apprentice is identified as having ALN or ALS status and is being supported by a personal adviser during the course of their learning programme, the apprentice’s ALS plan should be shared with the personal adviser as a matter of effective practice.

699 All learners require a review at least once every 12 weeks and an ALS needs assessment should be integrated into this process. The frequency with which learners with ALS are formally reviewed will depend upon the needs of the individual learner. It is envisaged that, for many learners, the interval will be less than 12 weeks. The learner’s progress will be reviewed in accordance with their plan, the effectiveness of the support will be evaluated and a forward support plan developed at each review. Where an apprentice is being supported by a personal adviser during their learning programme, the adviser may wish to attend learner reviews. This should be determined with the personal adviser.

700 The limit the LSC will pay for ALS is that documented in the provider’s funding agreement, and providers are not expected to exceed this amount without receiving agreement from the LSC and a contract variation. For clarity, the LSC accepts no responsibility to pay any ALS above the provider’s allocation, regardless of the number of learners identified. This is in common with the ALS allocations made within the learner-responsive funding models.
**Funding**

701 There is a threshold of £171, below which the LSC will not consider claims as providers are expected to manage their budgets to provide additional learning support for all learners below this figure.

702 Where a learner is assessed as requiring support due to ALN or ASN or both, the LSC will fund activity on top of the monthly payment for each month the learner stays in learning, attracts a monthly payment for any qualification and requires support, provided the following conditions are met.

- The assessment has been conducted in line with this guidance.
- The provider holds evidence of the assessment of the needs.
- A planned programme of additional support is included in the learner’s ILP.
- The programme of activity is being delivered and evidenced.
- The arrangements are reviewed a minimum of once every 12 weeks.

703 Calculations will be automatic and the amount paid for the full length of time spent on the qualification to which the status is attached. Where ALN and/or ASN status is awarded after the start date or ceases before the end date, providers are required to close the current learning aim to which ALN and/or ASN is or is not attached and to open a new aim. The percentage of funding remaining for the learner is to be calculated and entered on the ILR in field A51a. Full details on this procedure can be found in the ILR Provider Support Manual.

704 Due to the nature of TtG learning, providers are expected to draw down funding which relates to the cost of support in accordance with the above paragraphs.

705 The provider will be required to profile its cash allocation for ALN and ASN for the funding year. Once agreed, the LSC will pay this amount on profile and reconcile it as necessary, based on actual delivery. The current rates for ALN or ASN are:

- learners with either ALN or ASN: £147.32 a month if aged 16–18 at start, or £127.89 if aged 19 or over at start;
- learners with both ALN and ASN: £220.47 a month if aged 16–18 at start, or £192.95 if aged 19 or over at start.

**Exceptional Learning Support and Learners with Disabilities**

706 Exceptional learning support (ELS) may only be claimed where either the support needs for learning or the need to overcome barriers to learning are identified and cover the full duration of the programme. The definition of ELS is that costs will, when calculated using estimated costs and actual costs incurred, exceed £5,500 over the full duration of the programme.

707 Where the likely costs over the length of the programme are assessed as exceeding £5,500, the amount over the threshold may be classified as ELS. If a learner requires support for a disability, but is not eligible for ALN or ASN funding, then the necessary amount is claimed at cost on the Training Provider Statement (TPS). This does not imply a right to exceed the overall allocation contract value. If this is necessary, the provider is to arrange a contract variation through the relevant LSC office. If providers feel a learner is likely to need ELS or support for a disability, then they should complete the ALS costs form available from the LSC website (for link see paragraph 625).

708 It is unlikely that learners following TtG will need ELS. Providers should contact their LSC contact if they have reasons to believe that this would be required.

**Provider Administrative Action**

709 Claims are made as expenditure occurs, on a monthly basis. Providers should reduce claims by the regular ALN and/or ASN supplement and claim the remainder of the costs on the TPS. The total claim is not to exceed those costs detailed on the standard costs assessment form.

710 Providers are required to calculate the ELS and ALS payments due each month and to enter this amount on the TPS promptly. This will enable the amount to be taken into account when payment is made. Provided that ALN and ASN are properly recorded on the ILR, the ‘actual earned’ amount will be calculated and reported on the Provider Funding Report (PFR).

711 Providers should keep details of the initial assessment, formal reviews and other key documents to support their judgement, as set out on the assessment forms for learners with ALN and/or ASN. The process is detailed in Figure 2.

**Disputes**

712 It is for providers and personal advisers to work together to resolve disputes by putting the learner first. Whether or not support is needed and/or appropriate will, to a large extent, depend on the learner’s view and their willingness to accept support. Where disputes cannot be resolved, providers should speak to their LSC partnership contact.
Figure 2: Additional learning needs and additional social needs decision flowchart

- Total claim for learner is likely to be above £5,500
  - Complete ALS costs form assessment form
    - Is claim confirmed as over £5,500?
      - Yes
        - Commence delivery of ELS support and file costs form
      - No
        - Is claim for disability without ALN/ASN?
          - Yes
            - No claim is included in ALN/ASN
          - No

- Collate and retain evidence for all ALS spend for the learner
- Claim costs incurred are over current ALN/ASN, both rates on TPS
- Total funds received are paid monthly and additional funding is paid if required *
- Exceptional costs are shown on PFR
- LSC reviews ALS support made available and delivered annually

* If it is likely that the allocation or contract value will be exceeded, the provider should contact the LSC to discuss a variation.
Examples of claims

Claims are made as expenditure occurs, on a monthly basis. Providers should reduce claims by the regular ALN and/or ASN supplement and should claim the remainder of the costs on the TPS. The total claim is not to exceed those costs detailed on the ALS costs form.

Example 1

Learner A is assessed as needing £8,000 of support over the length of their Apprenticeship, which is estimated as 24 months.

The first £5,500 is funded from the provider’s ALS allocation. The remaining £2,500 may be claimed as ELS.

The support costs £333 a month and the provider is already claiming ALN and ASN to the value of £220.47 a month. This reduces the ELS claim to £112.53 a month.

The provider therefore claims £112.53 on the TPS as ELS. The full £333 a month must be evidenced.

Example 2

Learner B is assessed as needing £8,000 of support over the length of their Apprenticeship, which is estimated as 24 months.

In addition to their normal programme, Learner B attends a residential placement every three months with a support cost of £1,000. The provider is already claiming ALN and ASN to the value of £220.47 a month for their agreed usual support.

In the months when the residential placement takes place, the provider claims the remaining £779.53 on the TPS as ELS. This example assumes the usual monthly support costs are replaced in these months by the residential support costs.

Therefore, £779.53 is claimed on the TPS as ELS. The full £1,000 must be evidenced for the months in which the residential support is provided to the learner.

Audit evidence

Providers should retain evidence of the assessments and evidence that supports all ALS claimed from the LSC (for clarity, this includes all ALN and ASN payments).
Annex A
Acronyms and Glossary

This section provides a list of acronyms and abbreviations used in the document.

<table>
<thead>
<tr>
<th>Acronym/abbreviation</th>
<th>Non-abbreviated term (includes dates when changes occurred)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008–09</td>
<td>Denotes a financial year</td>
</tr>
<tr>
<td>2008/09</td>
<td>Denotes an academic year</td>
</tr>
<tr>
<td>A2-level</td>
<td>The second half of a full A-level qualification</td>
</tr>
<tr>
<td>A and V</td>
<td>Assessor and verifier</td>
</tr>
<tr>
<td>AASE</td>
<td>Advanced Apprenticeship in Sporting Excellence</td>
</tr>
<tr>
<td>ACL</td>
<td>Adult and community learning: provision for adults previously funded by local authorities; see also PCDL</td>
</tr>
<tr>
<td>AEA</td>
<td>Advanced Extension Award</td>
</tr>
<tr>
<td>ALG</td>
<td>Adult Learner Grant</td>
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<tr>
<td>ALN</td>
<td>Additional learning needs</td>
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<td>ALS</td>
<td>Additional learning support</td>
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<tr>
<td>APRL</td>
<td>Accreditation of prior experience and learning</td>
</tr>
<tr>
<td>AS-level</td>
<td>Advanced subsidiary: a stand-alone qualification valued as half a full A-level qualification</td>
</tr>
<tr>
<td>ASN</td>
<td>Additional social needs</td>
</tr>
<tr>
<td>AU</td>
<td>Area-costs uplift</td>
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<tr>
<td>BAF</td>
<td>British Armed Forces</td>
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<tr>
<td>BSA</td>
<td>Basic Skills Agency</td>
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<tr>
<td>C&amp;G</td>
<td>City and Guilds</td>
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<tr>
<td>CITB</td>
<td>Construction Industry Training Board</td>
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<tr>
<td>CoVE</td>
<td>Centre of vocational excellence</td>
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<tr>
<td>CTC</td>
<td>Child Tax Credit</td>
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<tr>
<td>DBERR</td>
<td>Department for Business, Enterprise and Regulatory Reform (new from July 2007)</td>
</tr>
<tr>
<td>DCSF</td>
<td>Department for Children, Schools and Families (new from July 2007)</td>
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<tr>
<td>DEL</td>
<td>Distributed and electronic learning</td>
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<tr>
<td>DELG</td>
<td>Distributed and Electronic Learning Group</td>
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<tr>
<td>DfES</td>
<td>Department for Education and Skills (replaced from July 2007 by DCSF and DIUS)</td>
</tr>
<tr>
<td>DIUS</td>
<td>Department for Innovation, Universities and Skills (new from July 2007)</td>
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<tr>
<td>Acronym/abbreviation</td>
<td>Non-abbreviated term (includes dates when changes occurred)</td>
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<tr>
<td>DL</td>
<td>Discretionary leave</td>
</tr>
<tr>
<td>DU</td>
<td>Disadvantage uplift (previously widening-participation factor)</td>
</tr>
<tr>
<td>E2E</td>
<td>Entry to Employment</td>
</tr>
<tr>
<td>EEA</td>
<td>European Economic Area, consisting of the states of the EU (see below) plus Iceland, Liechtenstein, Switzerland and Norway</td>
</tr>
<tr>
<td>ELE/R or ELE/ELR</td>
<td>Exceptional leave to enter or remain</td>
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<tr>
<td>ELS</td>
<td>Exceptional learning support</td>
</tr>
<tr>
<td>EMA</td>
<td>Educational Maintenance Allowance. EMA was made available nationally from 2004 and it provides weekly payments to young people to encourage them to stay in education or training</td>
</tr>
<tr>
<td>ESF</td>
<td>European Social Fund, which supports projects targeting unemployment and workforce development</td>
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<tr>
<td>ESOL</td>
<td>English for speakers of other languages</td>
</tr>
<tr>
<td>EU</td>
<td>European Union, the member states of which are Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.</td>
</tr>
<tr>
<td>FE</td>
<td>Further education</td>
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<tr>
<td>FLT</td>
<td>Foundation Learning Tier</td>
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<tr>
<td>FSMQ</td>
<td>Free-standing Mathematics qualification</td>
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<tr>
<td>FTE</td>
<td>Full-time equivalent</td>
</tr>
<tr>
<td>GCE</td>
<td>General Certificate of Education</td>
</tr>
<tr>
<td>GCSE</td>
<td>General Certificate of Secondary Education</td>
</tr>
<tr>
<td>glh</td>
<td>guided learning hours</td>
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<tr>
<td>GNVQ</td>
<td>General National Vocational Qualification</td>
</tr>
<tr>
<td>GO</td>
<td>Government office</td>
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<tr>
<td>Guidance, the</td>
<td>LSC Funding Guidance 2008/09</td>
</tr>
<tr>
<td>HA</td>
<td>Housing association</td>
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<tr>
<td>HE</td>
<td>Higher Education</td>
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<tr>
<td>HEFCE</td>
<td>Higher Education Funding Council for England</td>
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<tr>
<td>HEI</td>
<td>Higher education institution</td>
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<tr>
<td>HESA</td>
<td>Higher Education Statistics Agency</td>
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<tr>
<td>HNC</td>
<td>Higher National Certificate</td>
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<tr>
<td>HND</td>
<td>Higher National Diploma</td>
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<tr>
<td>HP</td>
<td>Humanitarian Protection</td>
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<tr>
<td>HSE</td>
<td>Health and Safety Executive</td>
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<tr>
<td>IAG</td>
<td>Information, advice and guidance</td>
</tr>
<tr>
<td>IB</td>
<td>International Baccalaureate</td>
</tr>
<tr>
<td>Acronym/abbreviation</td>
<td>Non-abbreviated term (includes dates when changes occurred)</td>
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<td>----------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and communications technology</td>
</tr>
<tr>
<td>ILE/R or ILE/ILR</td>
<td>Indefinite leave to enter or remain</td>
</tr>
<tr>
<td>ILETS</td>
<td>International English Language Testing System</td>
</tr>
<tr>
<td>ILP</td>
<td>Individual Learning Plan</td>
</tr>
<tr>
<td>ILR</td>
<td>Individualised learner record: the data collection used by LSC-funded providers. This provides comprehensive data about learners and is returned regularly throughout the year.</td>
</tr>
<tr>
<td>IMD 2004</td>
<td>Index of Multiple Deprivation 2004 (updated as 2000 used in 2007/08)</td>
</tr>
<tr>
<td>ITQ</td>
<td>NVQ for IT Users</td>
</tr>
<tr>
<td>JSA</td>
<td>Jobseeker’s Allowance</td>
</tr>
<tr>
<td>LA</td>
<td>Local authority</td>
</tr>
<tr>
<td>LAD</td>
<td>Learning Aim Database (at: <a href="http://providers.lsc.gov.uk/lad">http://providers.lsc.gov.uk/lad</a>)</td>
</tr>
<tr>
<td>leernedirect</td>
<td>The brand name for provision delivered by learning centres and Ufi hubs</td>
</tr>
<tr>
<td>LEE</td>
<td>Learner existence and eligibility</td>
</tr>
<tr>
<td>LIS</td>
<td>Learner Information Suite (at: <a href="http://www.lsc.gov.uk/providers/Data/Software/LIS">www.lsc.gov.uk/providers/Data/Software/LIS</a>)</td>
</tr>
<tr>
<td>LLDD</td>
<td>Learners with learning difficulties and/or disabilities</td>
</tr>
<tr>
<td>Loadbands</td>
<td>Ranges of guided learning hours to which specific national base rates were allocated up to 2007/08</td>
</tr>
<tr>
<td>LSC</td>
<td>Learning and Skills Council</td>
</tr>
<tr>
<td>LSF</td>
<td>Learner support funds</td>
</tr>
<tr>
<td>LSN</td>
<td>Learning and Skills Network</td>
</tr>
<tr>
<td>MoD</td>
<td>Ministry of Defence</td>
</tr>
<tr>
<td>NABS</td>
<td>National Accrediting Board of Studies</td>
</tr>
<tr>
<td>NEET</td>
<td>Not in education, employment or training</td>
</tr>
<tr>
<td>NES</td>
<td>National Employer Service</td>
</tr>
<tr>
<td>NLS</td>
<td>National Languages Strategy</td>
</tr>
<tr>
<td>NOCN</td>
<td>National Open College Network</td>
</tr>
<tr>
<td>NOS</td>
<td>National Occupational Standards</td>
</tr>
<tr>
<td>NQF</td>
<td>National Qualifications Framework</td>
</tr>
<tr>
<td>NVQ</td>
<td>National Vocational Qualification</td>
</tr>
<tr>
<td>OCN</td>
<td>Open College Network</td>
</tr>
<tr>
<td>OCR</td>
<td>Oxford Cambridge and RSA Examinations</td>
</tr>
<tr>
<td>Ofsted</td>
<td>Office for Standards in Education</td>
</tr>
<tr>
<td>OLASS</td>
<td>Offenders’ Learning and Skills Service</td>
</tr>
<tr>
<td>OLSU</td>
<td>Offenders’ Learning and Skills Unit (part of the DIUS)</td>
</tr>
<tr>
<td>PCDL</td>
<td>Personal and community development learning</td>
</tr>
<tr>
<td>PF</td>
<td>Provider factor</td>
</tr>
<tr>
<td>PFA</td>
<td>Provider financial assurance</td>
</tr>
<tr>
<td>PFR</td>
<td>Provider Funding Report</td>
</tr>
<tr>
<td>Acronym/abbreviation</td>
<td>Non-abbreviated term (includes dates when changes occurred)</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>PLA</td>
<td>Programme-led Apprenticeship</td>
</tr>
<tr>
<td>PLP</td>
<td>Programme-led pathway</td>
</tr>
<tr>
<td>PSA</td>
<td>Public Service Agreement</td>
</tr>
<tr>
<td>PW</td>
<td>Programme weighting</td>
</tr>
<tr>
<td>PWF</td>
<td>Programme-weighting factor</td>
</tr>
<tr>
<td>QAA</td>
<td>Quality Assurance Agency</td>
</tr>
<tr>
<td>QCA</td>
<td>Qualifications and Curriculum Authority</td>
</tr>
<tr>
<td>QCF</td>
<td>Qualifications and Credit Framework</td>
</tr>
<tr>
<td>QIA</td>
<td>Quality Improvement Agency</td>
</tr>
<tr>
<td>RDA</td>
<td>Regional development agency</td>
</tr>
<tr>
<td>RSL</td>
<td>Registered social landlord</td>
</tr>
<tr>
<td>Secretary of State</td>
<td>The Secretary of State for Children, Schools and Families (DCSF); and The Secretary of State for Innovation, Universities and Skills (DIUS) Term used for simplification in the Guidance documents where policy is a joint responsibility</td>
</tr>
<tr>
<td>SLN</td>
<td>Standard learner number</td>
</tr>
<tr>
<td>SQS</td>
<td>Sector Qualification Strategy</td>
</tr>
<tr>
<td>SRB</td>
<td>Single Regeneration Budget</td>
</tr>
<tr>
<td>SSA</td>
<td>Sector skills agreement: a formal agreement between SSCs, trade associations and employer bodies, and organisations that supply and fund education and training</td>
</tr>
<tr>
<td>SSB</td>
<td>Sector skills board</td>
</tr>
<tr>
<td>SSC</td>
<td>Sector skills council. SSCs are employer-led, independent organisations that cover a specific sector across the UK, for example IT, the retail industry or manufacturing. There are 25 SSCs in the UK</td>
</tr>
<tr>
<td>SSDA</td>
<td>Sector Skills Development Agency: the lead body for SSCs</td>
</tr>
<tr>
<td>TC</td>
<td>Technical Certificate</td>
</tr>
<tr>
<td>TPS</td>
<td>Training Provider Statement</td>
</tr>
<tr>
<td>TtG</td>
<td>Train to Gain: a service designed to help businesses get the training they need to succeed, targeted at first full Level 2 qualifications and basic skills</td>
</tr>
<tr>
<td>TUC</td>
<td>Trades Union Congress</td>
</tr>
<tr>
<td>Ufi</td>
<td>Originally, 'University for industry'. The Ufi is the organisation with overall accountability and responsibility for hubs that contract with providers to deliver learrndirect provision</td>
</tr>
<tr>
<td>UK VQRP</td>
<td>United Kingdom Vocational Qualifications Reform Programme</td>
</tr>
<tr>
<td>UPIN</td>
<td>Unique provider identification number</td>
</tr>
<tr>
<td>VRP</td>
<td>Vocationally related programme</td>
</tr>
<tr>
<td>WAGLH</td>
<td>Weighted average guided learning hours</td>
</tr>
<tr>
<td>WBL</td>
<td>Work-based learning (an LSC funding stream up to 2007/08)</td>
</tr>
<tr>
<td>WTC</td>
<td>Working Tax Credit</td>
</tr>
</tbody>
</table>
Annex B

Determining When a Basic Skills Learner is Entitled to the Disadvantage Uplift

1. There are two fields in the ILR, both in the learner data set, that trigger the claim for the disadvantage uplift. Field L32 confirms whether a learner is eligible for the uplift, and field L33 identifies the percentage level of uplift.

2. In this instance the significant field is L32. The guidance that follows is intended to clarify when this field can be completed with code 71, that is, implying the study of a basic skills programme.

Background

3. Basic skills students are eligible for the disadvantage uplift.

4. A student is considered to be a basic skills student if all or most of their programme comprises basic skills qualifications. Institutions should use their judgement in determining whether a student’s programme of study is primarily focused on basic skills.

5. The paragraph above has sometimes been interpreted as meaning that if 50 per cent of the glh comprising a learner’s programme of study are connected to basic skills learning aims, then the learner would count towards the provider disadvantage uplift factor in future years, as the learner is a basic skills learner. Code 71 would therefore be entered in field L32.

6. While the '50 per cent rule' has a mathematical neatness and provides a simple cut-off to allow institutions to apply their judgement, it also has a number of disadvantages, as shown by the following examples.

   - A programme of study comprising 49 per cent basic skills, 26 per cent on a vocational taster and 25 per cent on another such taster could clearly be argued to be ‘primarily focused on basic skills’.

   - A learner may begin by studying a basic skills learning aim and nothing else, and is then clearly eligible for the disadvantage uplift. However, if the learner then enrols on a non-basic skills learning aim that is larger than the initial basic skills one, he or she is no longer eligible for the uplift. The college would have to amend the learner record, which adds to the bureaucracy. This could arise more than once, depending on the pattern of enrolment during the year.

Determination

7. A learner will be deemed to be a basic skills learner, and therefore entitled to the disadvantage uplift allocated to such learners which for learner-responsive providers will be reflected in their future provider factor, if their learning programme meets at least one of the following criteria.

   a. It consists of a single learning aim that is an approved basic skills qualification, or is based on (referenced to) the national standards for adult literacy and numeracy, that is, a learning aim that attracts the programme weighting of 1.4. Note that GCSE qualifications in Mathematics or English (for all learners) and key skills qualifications in Communication and Application of Number up to and including Level 2 (for full-time 16- to 18-year-old learners) do not attract the 1.4 programme weighting and therefore do not count towards entitlement to the disadvantage uplift.

   b. It consists of two or more learning aims, all of which are basic skills learning aims attracting the 1.4 programme weighting. In this case, 100 per cent of the learning programme is focused on basic skills.

   c. It comprises more than one learning aim, at least one of which is a basic skills learning aim attracting the 1.4 programme weighting; and 50 per cent or more of the glh delivered in any academic year are connected to basic skills learning aims. The learner can then be counted as a basic skills learner.

   d. It comprises more than one learning aim, at least one of which is a basic skills learning aim attracting the 1.4 programme weighting; and the basic skills learning aim(s) involve at least 80 glh in any academic year. (The figure of 80 glh has been calculated from a statistical analysis of the number of glh per learner on basic skills learning aims attracting the 1.4 programme...
weighting.) The learner can then be counted as a basic skills learner. This will apply no matter how many glh are delivered on the remaining (that is, the non-basic skills) learning aims that comprise the learning programme.

e. In exceptional cases, if the learning programme does not meet the numerical thresholds described in criteria (c) and (d) above, the local LSC and the college can agree jointly that in their judgement the student’s programme of study is ‘primarily focused on basic skills’. It is expected that, in these cases, the number of glh connected to the basic skills learning aims would still approach the figures in (c) and (d) above. LSC partnership teams would need to confirm their agreement in writing to the college.
Annex C
Funding the Embedded Delivery of Basic Skills Provision

1 This annex explains how the embedded (or integrated) delivery of literacy, numeracy and language (ESOL) provision with vocational or other skills is funded and how it should be recorded on the individualised learner record (ILR).

Background
2 The LSC is aware that there has been some confusion in the sector about how to fund the delivery of embedded basic skills provision. For the purposes of this annex, ‘embedded teaching and learning’ is defined as follows:

   Embedded teaching and learning combines the development of literacy, language (ESOL) and numeracy with vocational and other skills. The skills acquired provide learners with the confidence, competence and motivation necessary for them to succeed in qualifications, in life and at work.

3 Embedded basic skills combines the delivery of literacy, language (ESOL) and numeracy learning aims with other learning aims.

4 There is no single learning aim recognised as an embedded basic skills learning aim, and the LSC does not recognise this concept for funding purposes.

5 It follows that embedding basic skills is an approach to curriculum delivery and involves at least one vocational learning aim and one basic skills learning aim. What is required, therefore, is that the teaching and learning of both the vocational and the basic skills learning aims are acknowledged and recorded.

Funding Embedded Basic Skills Provision
6 For funding purposes, an embedded approach requires two or more learning aims to be in place; one for the vocational programme and the other for the additional literacy, language (ESOL) or numeracy programme. Learners will be enrolled on both these learning aims, and funding will be drawn down accordingly. Only the basic skills learning aim will be eligible for the 1.4 programme weighting. The vocational learning aim will be paid at the usual programme weighting for that subject.

7 There is a generally held misconception that provided at least 50 per cent of a course comprises basic skills, then the 1.4 uplift would apply to the whole course (sometimes referred to as the '50 per cent rule'). This is not the case: each learning aim receives its related programme weighting.

8 Where learners are following multi-learning aims programmes that include basic skills learning aims, they may be eligible for the basic skills disadvantage uplift. Annex E: National Employer Service and Regional Contracting in this document describes in detail how to determine when a basic skills learner is entitled to the disadvantage uplift.

Recording Embedded Basic Skills Provision
9 The teaching and learning of both the vocational and the basic skills learning aims should be recorded. The ILR should contain a separate learning aim record for each learning aim. The learning aim reference (field A09) determines the appropriate programme weighting, as identified by the Learning Aim Database (LAD). The start and planned end dates (fields A27 and A28) plus the number of glh (field A32), will determine the size of each learning aim and the overall learning programme. Where basic skills are embedded within a vocational learning aim, the overall size of the learning programme must be greater than the vocational learning aim delivered in a traditional manner, that is, on its own.

10 Register details will confirm that the teaching has been delivered for both (or all) learning aims involved in the programme.
Annex D

Jobseeker’s Allowance, Tax Credits and Pension Credit

Jobseeker’s Allowance

1 The Jobseeker’s Allowance (JSA) Regulations 1996 (the JSA Regulations) contain rules on study by people who are unemployed and receiving benefit. Full-time learners (excluding those on programmes enabling them to study on a full-time basis, such as New Deal for people over 25 who have been unemployed for two years or more) will continue to be excluded from benefit as unemployed people. People undertaking part-time programmes will be able to receive JSA provided that they meet the conditions of entitlement, including being available for and actively seeking employment. In the case of provision wholly or partly funded by the LSC, the JSA Regulations will define programmes of no more than an average of 16 glh per week as part-time.

2 The JSA Regulations also provide that the learning agreement, signed on behalf of the college and provider, but not any other document, will provide evidence of a learner’s average glh for the purposes of determining entitlement to benefit. Colleges and providers should note that the learning agreement has a legal status in the context of JSA and should be prepared to make the original document available for inspection by Jobcentre Plus or central adjudication service staff if required.

Working Tax Credit

3 In April 2003, two new tax credits, comprising a Working Tax Credit (WTC) and a Child Tax Credit (CTC), were introduced to replace the existing Working Families’ and Disabled Person’s tax credits and (benefit-related) child support payments. People claiming these credits will be provided with an award notice on form TC602, issued by HM Revenue and Customs.

4 Learners, or their partner, in receipt of WTC may be eligible for fee remission and should be asked to produce the award notice. The award notice will state the nature and amount of the award on page 1 of the notice and will detail whether it is for WTC or CTC only, or for both. Only those learners in receipt of WTC, or their partner, and with a household income of less than £15,050, will be eligible for full fee remission. Learners claiming fee remission based on WTC should be asked to produce the award notice. If the award notice is lost, learners should be advised to ask their tax credit office for a duplicate. Photocopies of award notices are not acceptable.

5 The figure of £15,050 is based on the advice received from the Prescription Pricing Authority.

6 The required evidence is provided on pages 1 and 2 of the award notice. The ‘Tax credits award’ box on page 1 will indicate if WTC has been awarded, and the ‘Your income’ section on page 2 will confirm the household income. A personal income of less than £15,050 is not acceptable evidence.

Child Tax Credit

7 Learners claiming CTC only will not be eligible for fee remission unless they are in receipt of another means-tested benefit or if they are an eligible partner of a WTC recipient as specified in paragraphs 3 and 4 above. Learners with a household income of £15,050 or above will only be eligible for fee remission if they are receiving another means-tested benefit.

8 If an award notice is lost, the tax office should be asked for a duplicate. Photocopies of award notices are not acceptable.

9 If learners require guidance on applying for tax credits, they may call the Tax Credits Helpline on 0845 300 3900, which can also provide them with an application pack if they are eligible.

Pension Credit

10 From 6 October 2003, Pension Credit replaced minimum income guarantee for people aged 60 and over. There are two elements of Pension Credit:

- Guarantee Credit, which provides a contribution to a guaranteed minimum income for those aged 60 and over;

- Savings Credit, which may reward pensioners aged 65 and over for modest income and savings they have in retirement.
11 The Pension Service will issue to people claiming Pension Credit an award notice, ‘How Pension Credit has been worked out’, which will show the amount of each element of the award under the section headed ‘Your Pension Credit’.

12 Learners in receipt of Guarantee Credit (on its own or with Savings Credit) will be eligible for fee remission and should be asked to produce the award notice.

13 Learners awarded Savings Credit only will not be eligible for fee remission unless they are in receipt of another means-tested benefit.

14 If an award notice is lost, the relevant Pension Service office should be asked for a replacement. Photocopies of award notices are not acceptable as evidence of eligibility for tuition fee remission.
Annex E
National Employer Service and Regional Contracting

National Employer Service
1 The NES is responsible for managing the contracting arrangements with large, national, multi-site employers and with providers that act on behalf of these employers. Its purpose is to simplify the LSC's relationship with large employers and their representatives by providing a single focused point of contact. This is done through an account management system.

2 The NES employer-responsive funding model contracts may be available to:
   - large national employers with over 5,000 employees and a centralised personnel and payment system, and that have the potential to take at least 200 learners nationally;
   - providers acting on behalf of these national employers;
   - providers set up by employers to provide a service to a specific industry sector.

3 National providers that deal with small- and/or medium-sized employers will not qualify for an NES contract. If providers have a mix of small, medium and large national employers, the NES will contract for the large employers only, in line with the criteria detailed above. For NES Train to Gain contracting advice, see Annex M: Train to Gain – Operational Guidance.

Regional Contracting
4 Regional contracting arrangements will apply to all those organisations that deliver learning for the LSC in multiple LSC areas and that do not meet the criteria for a contract with the NES.

5 The purpose of regional contracting arrangements is to significantly drive up the performance and quality of learning from large, multi-site providers that work across LSC boundaries, by ensuring global purchasing decisions and regional leadership, while retaining national consistency under a single national contract.

Objectives
6 The objectives of regional contracting arrangements are to:
   - most importantly, drive up the performance and the quality of learning provision by developing strategic relationships at a regional level, with clear accountability between the LSC and regional or national providers;
   - support the principle of one development plan and one funding agreement for each provider;
   - provide a regional route for contracting with national providers, which ensures that purchasing decisions are made locally, with in-year management conducted regionally and nationally to ensure consistency in the delivery of national programmes;
   - reduce unnecessary bureaucracy in managing LSC learning programmes for the LSC and providers, thereby releasing valuable resources to frontline delivery.

Principles
7 The principles by which regional contracting arrangements are to operate are as follows.
   - The fundamental LSC principle of local decision-making applies to all regional contracting arrangements. Therefore, decisions concerning whom to contract with, for what and in what volumes will be made locally.
   - In-year management of performance and quality will be managed by a single named individual on behalf of the region.
   - Concerns over performance, delivery and quality should primarily be addressed at the regional level.
   - All providers should have one funding agreement, and one overall development plan with regional pages, except where there is a sound business case for more than one; for example, where a large national provider has a bespoke development plan for a single employer. This development plan is to detail issues, actions, summary statements of volumes and performance indicators by region.
• Local partnership teams will feed their requirements into regional leads, who will act as the main point of contact between the LSC and the provider.

• Regional leads will feed into a national lead, who will negotiate a single national development plan with the provider and issue a single national contract.

• Providers are not permitted to transfer volumes or budgets between LSC areas without a formal agreement.

• There are separate arrangements that apply where the total number of learners in any one LSC area is fewer than 20 and the total number of LSC-funded learners for that provider across all LSC areas is fewer than 100.

• Approaches to the LSC from prospective new providers that wish to operate across boundaries will be directed to the LSC office in the area in which the provider’s head office is located.

**Contracts with fewer than 20 learners**

8 If fewer than 20 learners are recruited in any LSC area, and if another LSC office has a bigger contract, then the volumes for the smaller area will be delivered under the larger area’s contract with no adjustment of budgets or volumes. If the total number of learners outside the lead area is 100 or more, regional arrangements will apply.
Annex F
Ministry of Defence Contracts

1 The LSC contracts with various branches of the Ministry of Defence (MoD) for the delivery of formula-funded provision. As the MoD already receives public funding for training, it is not appropriate for the LSC to pay 100 per cent of the national rate without jointly assessing double-funding. This applies to training providers that hold contracts with the LSC to deliver provision to MoD learners. The gap analysis and resultant reduction applies to all learning aims, including Technical Certificates and key skills.

2 The second phase of the gap analysis (revised in 2004/05) has been conducted for use from 2005/06. Percentages of the national rate to be paid in 2008/09 are detailed in Table F1.

3 The LSC is currently undertaking a further review, in partnership with the MoD and British Armed Forces, to align with the wider Defence Training Review. Any impact is likely to be reflected in future funding years.

Absence in Excess of Six Months

4 In cases where MoD learners are absent from learning in excess of six months and cannot be assessed and reviewed, the following may apply, with prior approval from the LSC.

- The provider will need to establish whether the MoD learner wishes to return to learning.
- Where the MoD learner indicates that they do wish to return to learning, then a suspension of up to nine months may be requested from the LSC.

Learning Agreements

5 It is recognised that the MoD and providers working with the MoD should already have in place contracts or agreements that detail the arrangements and responsibilities of the MoD and any provider or contractor. Where this is in place and the ILP details the responsibilities of each party, then the requirement for a learning agreement will be waived.

### Table F1: MoD gap analysis rolled forward into 2008/09

<table>
<thead>
<tr>
<th>Occupational area</th>
<th>2005/06 MoD rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>77%</td>
</tr>
<tr>
<td>Business Administration</td>
<td>87%</td>
</tr>
<tr>
<td>Construction</td>
<td>78%</td>
</tr>
<tr>
<td>Engineering</td>
<td>90%</td>
</tr>
<tr>
<td>Health Care and Public Service</td>
<td>84%</td>
</tr>
<tr>
<td>Hospitality</td>
<td>82%</td>
</tr>
<tr>
<td>Management and Professional</td>
<td>88%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>81%</td>
</tr>
<tr>
<td>Media – Photography</td>
<td>50%</td>
</tr>
<tr>
<td>Retailing and Customer Service</td>
<td>83%</td>
</tr>
<tr>
<td>Sport and Recreation</td>
<td>83%</td>
</tr>
<tr>
<td>Transportation</td>
<td>96%</td>
</tr>
</tbody>
</table>
Annex G
Guidance on Completing the Additional Learning Support Costs Form for Providers

1. Providers can claim funding for additional learning support (ALS) in accordance with the guidance in either Section 12 or 13 of this document. Providers that are planning to increase significantly the number of learners requiring ALS should contact their LSC partnership team.

2. All providers will be expected to manage their ALS block allocation accordingly to meet the needs of learners up to £19,000. Estimated costs of providing ALS should continue to be included in all providers’ ILR returns. This will support provider budget management and allow the LSC to demonstrate value for money.

All Providers

3. All providers should consider the advice in this document in Section 12, paragraphs 602–606 and in Section 4 of the companion document ILR Funding Compliance Advice and Audit Guidance for Providers in determining how they evidence expenditure on learners below the £5,500 band. It is likely that funded providers will want to show in their ILR and funding returns their actual expenditure during the year but compiled on the same simplified basis used to determine their allocation. In this way, they will avoid some of the unnecessary bureaucracy around individual costed support forms but still provide their local LSC with information on their movement in costs during the year to assist in future discussions of ALS funding allocations. In producing any global costing, providers must ensure that the whole of their global costing complies with the guidance on individual ALS claims.

4. The guidance below must, however, be followed in full for all learners with ALS claims above the £5,500 band.

All Providers: Initial Assessment of Learning Support Needs

5. The provision of ALS will be identified through the assessment and diagnosis of learner needs. This is the critical process, and should not differ between those colleges and providers who are in or out of scope for plan-led funding.

6. The evidence for claiming ALS funding (that is, the completed form) is the outcome of the process of initial assessment for learning support. The link to the form on the LSC’s website can be found in this document in Section 12, paragraph 625.

7. This initial assessment process generally occurs at the pre-entry and entry stages of the learning programme, and may be considered to have three main elements:
   - initial identification of the learners who will need learning support;
   - detailed assessment of their learning support needs;
   - development of a plan to provide ALS.

8. Providers will use a range of assessment instruments and strategies throughout the learning programme to identify individuals’ ALS needs. The assessments carried out should be relevant and identify individuals’ needs within the context of the curriculum they will be following. There is no standard assessment method that providers should use, and providers will make their own judgements as to the most relevant assessment methods and materials to use for particular learners.

9. Once the provision required to meet an individual’s ALS needs has been identified, it can be costed and the ALS costs form completed. This stage of the process will typically take place during the induction phase of the learning programme.

10. There are some learners who will have needs that are not identified during the pre-entry and entry stages. It is important that, as soon as these needs are identified, an assessment is carried out and the ALS costs form completed. An individual’s learning support needs may change during the programme and, if a review of that person’s needs leads to a significant change in the provision being offered to them, the form should be revised. This is particularly important where the change in provision may lead to a change in the ALS costs band into which the support costs fall.
Possible stages in the process of identifying and providing ALS are set out in Table G1.

**Table G1: Stages in the process of identifying and providing additional learning support**

<table>
<thead>
<tr>
<th>Timing</th>
<th>Process</th>
<th>LSC requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous provider year</td>
<td>Strategic planning, including activities such as liaison with schools and multi-agency planning</td>
<td>Strategic plan, which includes a needs analysis of learners with learning difficulties and/or disabilities</td>
</tr>
<tr>
<td>March of previous year</td>
<td>Estimate of numbers of individuals requiring ALS and the scale of their needs</td>
<td>Provision of supporting information to LSC partnership team, including an estimate of the amount of ALS funding required</td>
</tr>
<tr>
<td>Pre-entry or entry</td>
<td>Initial identification of needs; that is, admission and induction processes, and detailed assessment of each individual's ALS needs</td>
<td>Back-up evidence for the ALS costs form</td>
</tr>
<tr>
<td>Entry or induction</td>
<td>Development of a plan to support learning, and costing of ALS that is to be provided</td>
<td>Completion of the ALS costs form</td>
</tr>
<tr>
<td>On-programme</td>
<td>Regular review of ALS needs</td>
<td>Revision of the ALS costs form as required</td>
</tr>
<tr>
<td>Achievement</td>
<td>Identifying support requirements for end-of-programme review, assessment and accreditation</td>
<td>Estimate of costs to be included in ALS costings</td>
</tr>
</tbody>
</table>

**Providing Audit Evidence of Additional Learning Support**

12 In planning their provision for 2008/09, providers will have prepared an estimate of the funding for ALS required for the year. The estimate of this funding will draw on information derived from strategic planning activities, including multi-agency collaboration, school links, careers information and other activities.

13 Once the learners are engaged on their learning programmes, the provider is required to maintain evidence of the ALS being provided in order to account for the ALS funding claimed.

14 The ALS costs form provides information on the costs of providing ALS. It will form part of the audit evidence to be retained by the provider in support of its claim for ALS funds. In addition, providers should have available evidence of the assessments that were carried out as part of the process of identifying the support required by the individual.

15 The process of initial assessment for learning support should be integrated into the other processes carried out during the entry phase of the learning programme. Providers should consider how the various documents and auditable evidence required for the entry element are co-ordinated.

**Costing Additional Learning Support**

16 The outcome of the initial assessment is an ALS plan that details the provision a learner will need in order to achieve their learning aims. This provision should be costed as part of the process of completing the ALS costs form. The costings used in completing the form should reflect the actual costs borne by the provider. Providers should adopt costing formulas that reflect the variations in their provision.
The following points may be helpful when costing the provision.

• Providers should not include overhead costs such as central services or premises costs in the calculation of additional costs, as these are already met from the base unit of resource in recurrent funding.

• Additional teaching costs should be based on staff salaries plus on-costs and contracted hours.

• Costs for support staff could be calculated in the same way as costs for additional teaching.

• The costings should relate to direct learning support for individual learners. The costs of a learning-support co-ordinator may be included where the member of staff concerned is providing direct support to an individual learner.

• Where learners are on a discrete programme, the additional costs of teaching smaller groups of learners can be included on the form. Before claiming any additional costs, providers should reassure themselves that there is a clear rationale for restricting the size of the group, based on the needs and characteristics of the learners.

• Providers should calculate the additional costs by subtracting the average teaching cost for each learner on a standard programme from the teaching cost for each learner on a discrete learning aim. The costs of any other additional learning support provided within a discrete programme should also be included in the costing.

• Providers may include a depreciation charge for capital equipment on the form. This should be calculated by dividing the cost of specialist equipment by the estimated number of years of its expected life.

• The costs of any assessments required to identify equipment needs can be included in the costing of initial assessment.

• Maintenance of equipment, and training for the learner in the use of the equipment, can also be included.

• Where a learner needs to have their learning materials adapted, the cost of preparation can be included in the form. This may involve tutor, administrator or support-staff costs.

• The cost of providing ALS during the assessment of achievement should be included. This might include, for example, extra examination invigilator time, a note-taker or an amanuensis.

• The cost of transport can be included within the form where the learner is being transported between provider sites or where transport to a particular place is an integral part of meeting the learner’s learning support needs, for example, as part of the learner’s mobility training.

• Administrative costs in excess of the usual requirements for an individual can be included in the costings. For example, this could include liaison time with other agencies and time spent negotiating special examination facilities.
Annex H
Young People’s Terms and Conditions

1 This annex applies to the employer-responsive funding model and to E2E provision now funded within the learner-responsive funding models.

Wages
2 All employed learners shall be paid the rate specified in their terms and conditions of employment, which should comply with the national minimum wage legislation, where appropriate. Workers in agriculture must be paid in line with the terms of the Agricultural Board. Further guidance can be found on the Department for Business Enterprise and Regulatory Reform (DBERR) website at: www.berr.gov.uk/employment/pay/national-minimum-wage/index.html.

3 In its report, Supporting Young People to Achieve: A New Deal for Skills (HM Treasury, March 2004), the Government set out its expectation that minimum pay levels for employed learners should be £70 to £80 a week. The LSC now contractually requires that all full-time employed apprentices receive at least £80 a week income based on attendance of between 30 and 35 hours a week. This may be aggregated over four weeks if necessary. Pro-rata terms apply to part-time apprentices. Failure to comply with the above may result in the termination of a provider’s contract. Rises linked to the competence, achievements and productivity of the learner to the business are also recommended. The LSC expects employers to contribute to the costs of their learners’ learning. It is assumed that, generally, employers meet the costs of wages for employed learners on Apprenticeship programmes.

Hours of Participation
4 The hours of participation for all Apprenticeship programmes must conform with all relevant requirements under any legislation or local provisions or any local by-laws relating to the employment of young persons.

5 All employed learners should be covered by the terms and conditions contained in their contract of employment and any relevant employment legislation. Self-employed learners are treated as employed learners. Terms and conditions for self-employed learners must be at least equal to those for employed learners.

6 It is anticipated that learners will usually attend for a minimum of 30 hours a week. Hours of attendance for employed learners should comply with the Working Time Directive, and for non-employed learners should not exceed 37.5 hours. Exceptions to the minimum hours required are:

   • if part-time attendance has been agreed;

   • for E2E, where the minimum is 16 hours, and where the LSC has agreed a reduction in the minimum hours of planned attendance to between 8 and 16 hours (providers should note that a learner can only be eligible for EMA support if they are planning on attending for more than 16 hours a week).

7 Any learner attending on a part-time basis must be given the opportunities to develop the skills required and be able to prove their competence through assessment opportunities. Learners will usually attend a programme-led pathway (PLP) for a minimum of 30 hours a week. In exceptional circumstances, part-time attendance can be agreed, but with the expectation that the learner would progress to full-time attendance as soon as they are able.

Part-time Work
E2E and PLA learners
8 Child Benefit regulations preclude any learner benefiting from Child Benefit from working either for, or in anticipation of, a wage for more than 24 hours a week. Therefore, Programme-led Apprenticeship (PLA) learners in receipt of EMA are able to complete up to 24 hours of part-time work a week before their benefit entitlement is affected. PLA is a full-time programme of 30 hours a week. It is designed to give learners a short period of training to equip them with the skills they need to move on to an Employer-led Apprenticeship as soon as they are able. If a provider becomes aware that a learner on a PLA has been offered part-time employment by their placement employer, then the provider should negotiate progression to an Employer-led Apprenticeship as soon as possible.

9 E2E learners are able to undertake part-time employment that is not part of E2E, but this should not normally exceed 10 hours a week. Therefore, an individual’s or their household’s entitlement to Child Benefit and/or Child Tax Credit under EMA would be unaffected.
**Income Support**

10 Learners in receipt of EMA and Income Support would need to consider if the level of Income Support awarded is reduced by the level of income generated from any such part-time work.

**Holidays/Accrued Authorised Absence**

11 Employed learners shall be entitled to those holidays provided by their terms of employment. The Working Time Directive requires 20 working days’ paid holiday per year as a minimum for employees. Further details can be found on the DBERR website at: www.berr.gov.uk/employment/employment-legislation/working-time-regps/index.html.

12 Every non-employed learner is entitled to a minimum of paid holiday at the rate of two days for each completed calendar month of learning under the programme. For EMA purposes, this is termed, ‘accrued authorised absence’.

13 All non-employed learners who need to attend their learning programme during bank and public holidays must receive time off at least equal to the time they attended on that bank or public holiday.

**Absence management**

14 EMA will continue to be paid to each young person who is eligible during all such absence authorised by the provider. For further details, see Annex 1 of the 2008/09 Education Maintenance Allowance Guidance for Providers of LSC-funded Entry to Employment and Programme-led Apprenticeships, available at: http://ema.lsc.gov.uk/ema-guidance/guidance-2008-09.

15 The LSC is ceasing to define absence and expects providers to allow for reasonable absence by learners from funded programmes. See also paragraphs 439–442 in the main document and Section 5 of the companion document ILR Funding Compliance Advice and Audit Guidance for Providers on learning and agreed breaks in learning, EMA is not payable during agreed breaks in learning.

**Maternity and paternity leave**

16 EMA is not payable during maternity or paternity leave. This reflects existing Apprenticeship policy and the policy of EMA to encourage continued attendance in learning. This is consistent with current employment legislation where workers do not automatically qualify for maternity/paternity leave. This is one of the reasons why the LSC’s strong preference is that learners get fully employed status as early as possible in their Apprenticeship.

**EMA**

17 Providers are required to administer and support learners to apply for EMA. Full guidance is available on the LSC website (see link in paragraph 14 above).

Providers are reminded that this guidance forms part of their funding agreement.

**19-year-olds**

18 Child Benefit regulations changed with effect from 10 April 2006 to allow learners who start their learning provision before their 19th birthday to continue to receive household benefits (or Income Support for those young people who are in receipt of that benefit) until the end of their learning up to their 20th birthday, at which point they are treated as independent adults for benefit purposes. Learners who start E2E or PLP in their 18th year may continue to receive EMA for the duration of their Notice of Entitlement.

**Trade Union Membership**

19 The following two paragraphs shall not apply to members of the British Armed Forces.

20 The provider should ensure that any agreed arrangements and procedures that they or their subcontractors have with trade unions at locations where the learning is undertaken are explained to learners at the start of their learning.

21 The provider should ensure that learners are given the opportunity to join a trade union for which they are eligible under the trade union’s rules.

**Expenses**

22 The provider should ensure that non-employed learners have reasonable expenses met in full where these are needed to overcome barriers to learning. These may include the costs of:

- travelling to or from the place of learning or work placement;
- childcare that is provided in partnership with the Care to Learn initiative (see paragraphs below on childcare support);
- personal protective equipment that employees would normally be expected to supply themselves;
- medical treatment (for example, inoculations);
- residential accommodation where it is necessary.

23 Rates for expenses payments are specified by local or regional contracting teams for their area. Employers and providers should take account of learners’ likely transport arrangements when planning off-the-job training, particularly outside normal working hours. All expenses may also be authorised for employed learners at the discretion of the local LSC. Expenses for TtG learners have to be incurred in direct relationship to their learning.
Non-employed TtG learners, for example volunteers, should only qualify for help if they incur additional costs during their participation in learning.

24 The costs of expenses for learners are met by the LSC and claimed on the Training Provider Statement (TPS). In E2E the cost is included in the programme funding.

Childcare Support

25 Childcare support is available for all non-employed learners. In outline, each learner is entitled to up to £160 a week (£175 if London weighting applies) for each child, to cover the costs of childcare and travel to and from the childcare setting. Learners who will have their costs met by Care to Learn are those who are non-employed, aged under 20 and:

- are on E2E;
- are on Programme-led Apprenticeships and who are employed for fewer than 16 hours a week;
- PLA may progress to other programmes and retain their entitlement provided they still qualify; if learners progress to an Employer-led Apprenticeship then they will no longer qualify;
- care for their own children;
- live in England;
- use registered childcare providers.

26 Further information, including the application form and leaflet, is available on the Care to Learn website (http://caretolearn.lsc.gov.uk/) and from the helpline on 0845 600 2809.

27 All other non-employed learners, including those below, will have their childcare costs met by the LSC. New starts will receive the same levels of support as those who are eligible for Care to Learn. Carry-over learners will have existing arrangements honoured.

28 The application process for Care to Learn will normally take between five and seven days. Applying through the website may shorten this period. Therefore, where possible, applications should be made well in advance. Where an early application is not possible (for example, where the learner wishes to start E2E immediately), Care to Learn will fund the first 10 days of childcare and necessary deposits retrospectively. If the applicant is subsequently found not to be eligible, the LSC will meet these costs at its discretion. It should be noted that all payments are subject to the weekly limit set out above.

29 Learners who are employed for 16 hours or more a week may be eligible for assistance for childcare costs through the Working Families’ Tax Credit system. Should any learners not be eligible, LSC contacts may authorise childcare payments for employed learners at their discretion. More information is available on the Directgov website at: www.direct.gov.uk/en/MoneyTaxAndBenefits/index.htm.

30 Childcare for non-employed learners not eligible under Care to Learn is funded by the LSC and is claimed on the TPS as learner expenses. This funding is at the discretion of the LSC contact. TtG learners will only be funded where the childcare is connected solely with learning and not the learner employment or regular working pattern.

31 The limit the LSC will pay for additional learning support is that documented in the provider’s funding agreement, and providers are not expected to exceed this amount without receiving agreement from the LSC and a contract variation. For clarity, the LSC accepts no responsibility to pay any additional learning support above the provider’s allocation.

32 Further information on all aspects of the LSC learner support funds is available from the LSC website at: http://lsf.lsc.gov.uk/publications/.
Annex I

Education Maintenance Allowance
Extension Hardship Funding
Guidance

New E2E Arrangements from 1 August 2008

1 All EMA-eligible E2E learners starting a programme of study after 30 June 2008 will receive the maximum £30 weekly EMA payment regardless of their household income. This is designed to encourage young people not in education, employment or training to enter training and progress.

2 In view of the above, the need for a dedicated E2E hardship fund has ended. From 2008/09, E2E learners are eligible for discretionary Learner Support Funds (dLSF) and providers should contact their local LSC partnership teams for details on this in the usual way.
Annex J
The Apprenticeship Blueprint

1 This annex sets out the essential content and areas where flexibility is possible as a basis for agreement by those principally concerned with the design and implementation of Apprenticeships, that is: sector skills councils (SSCs), sector bodies and their employers, the LSC, the Government and the Qualifications and Curriculum Authority (QCA).

2 Apprenticeships are intended to provide an integrated programme of learning leading to the acquisition and application of the skills, knowledge and understanding required by employers.

3 The completion of an Apprenticeship framework shows both current and potential employers that the holder has achieved competence in the skills covered by the Apprenticeship, has demonstrated the knowledge required by the Apprenticeship and has attained the level of transferable skills required by all Apprenticeships.

4 The content of each Apprenticeship is designed by SSCs, sector bodies and their employers in accordance with the following paragraphs.

5 The following are essential content for all Apprenticeship frameworks:
   • a competence-based element;
   • a knowledge-based element;
   • transferable or key skills;
   • employment rights and responsibilities.

6 Apprenticeships should be directly accessible to those from age 16 who possess the required entry criteria.

7 Advanced Apprenticeships should be directly accessible to those who possess the required entry criteria. An Apprenticeship in the same employment sector should provide entry to the corresponding Advanced Apprenticeship.

8 SSCs and sector bodies are responsible for determining and publicising entry criteria.

9 In addition to the above, Apprenticeships may include other elements as required by employers who employ apprentices, but these will not normally be funded.

10 While the aim is for Apprenticeships to be an employed programme, frameworks must be capable of programme-led application in educational establishments as outlined in the Cassels Report. However, it is not possible for an Apprenticeship to be achieved without significant employment-based learning and application.

11 Paragraphs 12–27 outline the essential content and areas where flexibility is possible for each of the above elements.

Competence-based Element

Essential content

12 The competence-based element must be assembled from the National Occupational Standards from the employment sector for which the framework is designed and, if required, other employment sectors. It should take the form of a National Vocational Qualification (NVQ) and should be assessed using methods designed to test competence. It must be at:
   • Apprenticeship – Level 2;
   • Advanced Apprenticeship – Level 3.

Areas of flexibility

13 The content of the competence-based element may be determined by the SSCs, sector bodies and their employers.

14 The name of the qualification may be varied to suit the employment sector.

15 Assessment methods should be determined by the appropriate SSC in collaboration with the QCA.

16 The knowledge-based element may or may not be integrated with the competence-based element at the discretion of the SSCs, sector bodies and their employers.

Knowledge-based Element

17 Technical Certificates were introduced to ensure that the underpinning theoretical knowledge required by a successful apprentice would be clearly demonstrated. While some SSCs and sector bodies have effective Technical Certificates that are fit for purpose, others have indicated that they would like to see the knowledge element as an integrated but clearly identified and assessed part of the NVQ.
The knowledge-based element must be designed to provide evidence that the underpinning theoretical knowledge required by an entrant to the employment sector covered by the framework has been demonstrated.

The knowledge-based element will normally be independently assessed using methods determined by the SSC and sector bodies, and agreed by the QCA as appropriate to the assessment of knowledge.

The knowledge element should form part of a clearly described progression route from Apprenticeship to Advanced Apprenticeship and on to higher education. It must be at:

- Apprenticeship – Level 2;
- Advanced Apprenticeship – Level 3.

The knowledge-based element may be separately accredited or may be accredited as part of the competence-based element.

Progression from Advanced Apprenticeship to higher education may require additional knowledge, provided that this requirement is clearly stated and the means of progressing is available to apprentices when they start the Apprenticeship.

Areas of flexibility for transferable skills are:

- the range of proxy qualifications;
- the relaxation requirement, whereby a learner holds other qualifications, and the time limit relating to this relaxation;
- the end test being adapted for use as an initial assessment;
- how the aspiration that apprentices achieve Level 2 key skills and advanced apprentices achieve Level 3 key skills might be expressed within the framework;
- contextualisation, integration and embedding of key skills external assessment;
- key skills delivery models within the Apprenticeship programme.

Employment rights and responsibilities must be included for all Apprenticeships and Advanced Apprenticeships and there should be a requirement for all apprentices to understand their responsibilities for equal opportunities, health and safety and the safe learner concept.

The content and assessment of employment rights and responsibilities is the responsibility of the SSCs and sector bodies designing the framework.

The Apprenticeship is currently not a qualification in its own right. Rather, it is the achievement of a collection of qualification components, each requiring differing assessment methods, registration and associated costs.

The Cassels Report recommended the awarding by the SSCs and sector bodies of an Apprenticeship diploma on completion, and provided evidence that such publicly recognised evidence of achievement was highly motivating to young people considering an Apprenticeship.

While some SSCs and their employers have indicated a reluctance to move from the current system where the Apprenticeship is not a qualification in its own right, others have identified the current structure as a barrier to engagement. Further, as the sector moves towards a credit-based qualification system, there is value in offering SSCs, sector bodies and their employers the option of a single, overarching qualification. If the Government opts for a diploma, as recommended by the Tomlinson Report, it might be counter-productive to introduce an alternative version. However, it could be considered as a precursor to any eventual national system.
Essential content

31 Key skills, where required by the learner, must be independently accredited (although they may be delivered as part of other qualifications).

32 Knowledge-based and competence-based elements must lead to accredited qualifications.

Areas of flexibility

33 Competence-based and knowledge-based elements may be separately assessed or may be covered by a single, overarching qualification.

34 SSCs, sector bodies and the QCA may wish to consider the feasibility of introducing grades to Apprenticeships or their component parts.
Annex K

Joint Higher Education Funding Council for England and Learning and Skills Council Protocol on Funding Level 4 Qualifications in Apprenticeships

Purpose
1 The purpose of this protocol is to clarify the funding of the elements of Apprenticeships that contain Level 4 qualifications.

Context
2 There is a growing demand for higher skills levels in some sectors. This has led to pressure from sector skills councils (SSCs) for the development of an Apprenticeship at Level 4. In the past, the funding of such Apprenticeships has been problematic due to the split responsibilities for funding Level 4 qualifications.

Principles
3 The protocol recognises the principles that funding should be provided by one organisation only for each element of the Apprenticeship programme, that both parties will act to ensure appropriate use of their own funding and that double funding cannot occur.

4 The content of Apprenticeships and Advanced Apprenticeships is described in Blueprint for Apprenticeships (LSC and DfES, September 2005) which is available at: www.apprenticeships.org.uk/NR/rdonlyres/A28D2CFF-725E-4D00-9110-429A77CCA2C6/0/ApprenticeshipBlueprintFinalV215Sep05.pdf. This outlines the essential content of Apprenticeships as follows:
   - a competence-based element at Level 2;
   - a knowledge-based element at Level 2;
   - transferable or key skills at a minimum of Level 1;
   - employment rights and responsibilities (no level).

5 An Advanced Apprenticeship consists of the following elements:
   - a competence-based element at Level 3;
   - a knowledge-based element at Level 3;
   - transferable or key skills at a minimum of Level 2;
   - employment rights and responsibilities (no level).

6 The LSC is piloting Higher Apprenticeships at Level 4 using the following principles:
   - a competence-based element at Level 4;
   - a knowledge-based element at Level 4;
   - transferable or key skills at Level 2 or Level 3;
   - employment rights and responsibilities (no level).

Agreement
7 For Advanced Apprenticeships (Level 3), the LSC will be responsible for setting funding rates and arrangements for funding the competence-based element, the knowledge-based element, the key skills and the employment rights and responsibilities.

8 For learners on Advanced Apprenticeships (Level 3) who are deemed to have completed their Level 3 knowledge-based element and wish to study a Level 4 knowledge-based qualification, the Higher Education Funding Council for England (HEFCE) will be responsible for funding this qualification where this is designated as prescribed higher education (HE) provision, which may be studied concurrently with an Advanced Apprenticeship. This would specifically not be considered to be double funding.
At Level 4, for Apprenticeships that are part of the current pilots being run by the LSC, the LSC will be responsible for setting funding rates and arrangements for funding the competence-based element, the key skills and the employment rights and responsibilities. The LSC will also fund the knowledge-based element if this is defined as non-prescribed HE. The HEFCE will be responsible for setting funding rates and arrangements for funding the knowledge-based element where this is designated as prescribed HE provision.

Commentary

This protocol recognises and promotes the benefit of Level 4 knowledge-based qualifications as part of an Apprenticeship programme. This may be desirable as:

• an additional progression qualification for learners on Advanced Apprenticeships who are deemed to have completed the knowledge-based element within the approved framework;

• the mandatory knowledge-based element of a Level 4 Apprenticeship framework.

The protocol presumes that SSCs are responsible for the content of the Apprenticeship frameworks.

Allocation of Funding

Funds will be allocated to approved providers in accordance with each organisation’s allocations process. It will be the responsibility of the provider of the Apprenticeship to ensure, before learners are enrolled, that funding is available to fund all parts of the Apprenticeship and for the duration of the Apprenticeship.

This protocol does not provide an assurance to providers that funds will be available for all parts of the Apprenticeship.

Each organisation will be responsible for ensuring the proper use of its funds and for ensuring that each element of the Apprenticeship is funded by only one organisation. Where appropriate, the LSC and the HEFCE will share data to ensure that the principle of preventing double funding is maintained.
Annex L
Advanced Apprenticeship in Sporting Excellence

1 The Advanced Apprenticeship in Sporting Excellence (AASE) is unique in its structure and purpose. As it is funded as an Apprenticeship, the requirements for funding, terms and conditions and eligibility are identical to those for all other Apprenticeships. However, due to the structure, there are additional factors to be considered and these are covered below.

Funding

2 Funding is based on the standard elements of an Apprenticeship as detailed below.

- **Underpinning knowledge and understanding**: This is based on 780 guided learning hours (glh) and can be any qualifications from a list in the framework, each qualification contributing to the glh until the 780 is reached, when the element is deemed to be complete (see paragraph 3 below).

- **Key skills**: The two mandatory key skills at Level 2 are funded at standard national rates in all sports. (For key skills and Premiership football, see paragraphs 6 and 7 below.)

- **Competence element**: This is a National Vocational Qualification (NVQ) at Level 3 in Achieving Excellence in Sporting Performance and is funded at the normal listed rate. This is always funded through Apprenticeships and is therefore straightforward.

Underpinning Knowledge

3 There are three scenarios for funding this element. These, together with the solution are given below.

- **Scenario 1**: The learning provider is also the college providing (or sub-contracting with another provider for) the underpinning knowledge. In this case, the college may be funding the constituent qualifications through different funding allocations. It is of no concern which funding stream the funding comes from; however, there is a general duty on the provider to access LSC funds with discretion and with a view to value for money. The LSC would expect this to be respected. The provider is responsible for ensuring that the full 780 glh are achieved and that double funding is avoided.

- **Scenario 2**: The underpinning knowledge is being provided by a different organisation from the learning provider, for example a school sixth form or college, and the school or college is funding the underpinning knowledge through its LSC learner-responsive funding allocation. In this case, the school or college providing the underpinning knowledge will continue to be funded directly for the elements it provides. The underpinning knowledge programme provided by the school may or may not provide the full 780 glh, and, where it does not, the provider is responsible for supplying the additional hours of learning and therefore would claim for the additional qualifications provided from its Apprenticeship allocation.

- **Scenario 3**: The underpinning knowledge is being provided by a different organisation from the learning provider, and that organisation is funding the underpinning knowledge from private or other non-public funding sources, for example a private school sixth form. In this case, the school or college providing the underpinning knowledge will continue to fund the elements it provides and LSC funds are not to be claimed to substitute any existing funds. The underpinning knowledge programme provided by the school may or may not provide the full 780 glh, and, where it does not, the provider is responsible for supplying the additional hours of learning and therefore would claim for the additional qualifications provided from its Apprenticeship allocation.

Key Skills

4 The two mandatory key skills are funded at the relevant national rate. This is in addition to the 780 glh underpinning knowledge requirement.

Key skills and the entitlement

5 Providers should be mindful of the fact that the key skills of Application of Number and Communication (and IT) are expected to be delivered as part of the entitlement curriculum for full-time learners in school sixth forms and FE colleges and that therefore key skills should only be claimed as part of the Apprenticeship if they have not been claimed in the FE college or school.
Key skills and Premiership football

6 The Apprenticeships Approvals Group and the LSC have agreed that the wider key skills of Working with Others, Team Working and Developing Own Learning will be included within the 780 glh underpinning the knowledge element for Premiership football only. These will be funded at 20 glh each and each will contribute 20 glh to the 780 glh for framework achievement. No additional funds are being made available and therefore the overall funding for the framework is still the same.

7 Key skills rates in Apprenticeships are based on 30 glh and not 20, and therefore special arrangements are needed for claiming them within the 780 glh. Enter 66 per cent into field A51a of the ILR for all three additional key skills. This will generate the correct funding and ensure that the overall framework funding rate is not exceeded.

Eligibility

8 The AASE contains a substantial package of learning, combining full weeks of learning with additional sports training and NVQ training and assessment. The underpinning knowledge element is often provided by A-levels and other school- or college-based qualifications. Therefore the underpinning knowledge element is replacing funding that would normally be made available to fund Technical Certificates. For this reason, the LSC does not regard this as double funding. However, this does not mean providers can disregard paragraphs 21 and 251–255 in the main body of this document.

9 To facilitate the structure of the AASE, ensure good value for money and allow the underpinning knowledge element to be delivered in schools and colleges without disrupting the current school or college funding arrangements, the LSC is waiving the normal restriction of those in school or FE college on full-time programmes not being able to join Apprenticeships, and vice versa, as detailed in paragraphs 24, 42 and 48 of Learner Eligibility Guidance.

10 For clarity, the maximum funding per learner is described in paragraphs 44–46 of Funding Formula.

Employment Terms and Conditions

11 Apprenticeships are primarily an employment programme; in some sports this is possible (for example, football) and in others very unlikely (athletics or aquatic sports). Programme-led Apprenticeships can accommodate those apprentices who cannot be employed, and these can be supported by EMA (if eligible and subject to an income assessment) and expenses in accordance with Annex H of this document: Young People’s Terms and Conditions.

12 Apprentices can be employed and, if they are, must receive at least £80 a week. There is no restriction on being employed while undergoing a school sixth-form course.

Health and Safety

13 The AASE, although unique in its structure and purpose, is funded as an Apprenticeship, and therefore the requirements for funding, terms and conditions and eligibility are identical to those for all other Apprenticeships. The learning provider is ultimately responsible for ensuring that roles and responsibilities for health, safety, child protection/vulnerable adults and insurance matters are defined and agreed. The school and the learning provider should have a clear understanding of each other’s responsibilities, and this should be in writing between the parties concerned.

All Other Requirements

14 Unless specifically varied in this annex, all other requirements of the relevant funding documents must be observed as a condition of funding.
Employers Eligible to Access the Train to Gain Service

1 Primarily, skills brokers will target new, hard-to-reach employers who have fewer than 5,000 employees. Within the brokerage there is a specialist broker service for larger employers who have between 1,000 and 4,999 employees. The National Employer Service will provide skills brokerage services for large (5,000 employees or more) national, multi-sited employers.

2 New employers are defined as those that have not provided substantial vocational training leading to a qualification in the previous 12 months. Hard-to-reach employers are defined as those without Investors in People recognition and those who have not accessed substantial vocational training leading to a qualification within the last 12 months.

3 ‘Substantial vocational training’ is defined separately for employers with 50 or more employees and those small companies with fewer than 50 employees. The definitions below are for guidance and the LSC does not expect them to be applied in an overly mechanistic fashion.

- For employers with 50 or more employees, substantial equates to 10 per cent or more of their workforce being involved in vocational training leading to qualifications in the past 12 months.

- For employers with fewer than 50 employees, substantial equates to 30 per cent or more of their workforce being involved in vocational training leading to qualifications in the past 12 months.

- A small company is defined as one with fewer than 50 employees, balance sheet total not more than £2.8 million and turnover not more than £5.6 million.

4 Employers must grant employed learners paid time to train during working hours detailed within the contract of employment and ensure the declaration is completed and endorsed as a correct reflection of the learner’s prior qualifications.

5 The service will be open to all types of employer including private, franchise, public and voluntary bodies. Private schools are eligible provided they are not under contract through the local education authority.

6 While the public sector is included, central government departments and their agencies should lead by example and invest in the development of their workforce. Therefore it is considered inappropriate for them to receive government funding to train/develop their staff. A list of central government departments and their agencies can be found at: www.direct.gov.uk.

7 Businesses with sole trader legal status that directly employ others are able to access support from Train to Gain and their businesses may be supported by the skills brokerage service.

8 However, no sole trader can access contribution to wage costs, but their employees can.

9 Skills brokerage support will not be available to self-employed learners on a one-to-one basis. Instead, the LSC will maintain a sector referral cluster approach to manage demand and ensure good access to appropriate and readily available provision before self-employed learners are identified.

10 Nationally and regionally, the LSC will work with sector skills councils (SSCs), brokerage organisations and providers to agree indicative self-employed learner volumes and how sector activity will be managed. Thorough scoping and preparation work must be completed before any brokerage activity commences.

11 This could include SSCs, broker organisations and providers organising briefings for self-employed learners to outline the Train to Gain service, the qualifications on offer and how to access training.

Contribution to Wage Costs

12 Employers with fewer than 50 full-time equivalent (FTE) employees may be eligible for a contribution to wage costs incurred when releasing eligible employees for training with their provider during normal working hours. FTE workers are defined as having a minimum of 35 standard contracted hours of work per week.
Anyone who works full-time in a business during the working year should be treated as one FTE worker. Anyone who works part-time, seasonally or for part of a year, should be treated as a fraction of one FTE worker. The total number of FTE workers within the business will be used to determine the overall employee total and the correct size-band for the business for contribution to wages purposes.

13 The contribution is only available for employees who achieve their first full Level 2 and/or approved basic skills qualifications. Eligible employers with Level 3 ‘jumpers’ are also eligible. The contribution will only be paid for employees who achieve the above qualifications. The contribution is £5 per hour or actual hourly wage depending on employer choice. This contribution will be available up to a maximum of 70 hours. Volunteers and self-employed learners are not eligible to receive contributions to wage cost payments.

14 Payments will be made to the employer via BACS, processed by the LSC National Office on a quarterly basis with claim dates as follows:

- 31 March;
- 30 June;
- 30 September;
- 31 December.

15 Claims received after these dates will roll forward into the next quarter’s processing run.

16 Timely claims need to be submitted after training has completed, grouping learners together wherever possible. It is anticipated that complete and accurate claims submitted within these deadlines will be processed around six weeks after the end of the claims quarter. This will mean that employers should expect BACS payments on the sixth working day of the following months:

- May (for March claims);
- August (for June claims);
- November (for September claims);
- February (for December claims).

Skills broker responsibilities

17 The broker is responsible for providing information to eligible employers on the contribution scheme, establishing employer eligibility and allocating an employer ID.

18 In cases where a provider has recruited a potentially eligible employer, the contact details must be passed to the broker to take this forward. Employers must register for the scheme with a skills broker before or during commencement of agreed training.

19 The skills broker is responsible for obtaining bank details from employers and ensuring the necessary paperwork has been completed in order to register the employer.

20 On achievement of approved qualifications by employees, the skills broker facilitates payment to the employer by submitting employer claims to the LSC for payment. The skills broker also ensures that the necessary claim paperwork is in place prior to a claim being processed for payment.

Employer responsibilities

21 The employer is required to sign up for a contribution to wage costs through the skills broker contact. In signing the registration form, the employer agrees to the terms and conditions of the contribution scheme, including the release of employees for direct training.

22 The employer is required to confirm the actual number of hours of delivery within working hours for each eligible learner prior to making any claim. This confirmation is raised by the provider and signed by the employer, employee and provider.

Provider responsibilities

23 Where a provider has recruited an employer for Train to Gain that meets the eligibility criteria, it must pass the employer details to a skills broker who will contact the employer to arrange a ‘light touch’ follow-up.

24 Providers are required to obtain confirmation signatures from the learner and employer regarding the total number of hours the employee was released from their normal work duties to work towards their qualification. The number of hours relates to the number of total ‘contact’ hours the learner has had with the training provider in order to achieve their qualification. Time spent alone by the learner to complete work and time spent outside normal working hours do not qualify for a contribution.

25 The provider sends this confirmation to the skills broker to support an employer’s claim for a contribution. A sample form suggested for use by providers is available in the separate procedures document for the contribution scheme. Providers may use forms already utilised by their organisation if they contain all of the information detailed in the sample form.

National Employer Service

26 The National Employer Service (NES) is responsible for managing both strategic and national arrangements with large national employers in particular those with 5,000+ employees. The aim is to be a catalyst for greater investment by the employer in the skills of their workforce.
27 The NES offers specialist advice and a single point of contact on workforce development to those employers supported by a direct funding contract with the LSC. This advice helps employers develop large-scale, sustainable training programmes that give their people better skills and improve business performance.

28 NES contracts may be available to large national employers with 5,000 or more employees who will take ownership of and manage the national programme at senior level at head office.

29 Where the employer meets the criteria above, the NES preferred model is to contract directly with the employer, who can then if they wish, sub-contract commercially with their provider(s) of choice.

30 Organisations such as the Police Service, Fire Service, associations, local authorities and the NHS that have a local/regional remit are not eligible for support through the NES, so should be supported regionally.

Protocol

31 Employers meeting the NES remit (that is, an employer with 5,000 or more employees) should in the first instance always be referred by the broker, training provider, Train to Gain contact, or regional LSC to the NES Train to Gain co-ordinator prior to progressing discussion with that employer. Please contact via cvh-businessenquiry@lsc.gov.uk; 02476 825815.

32 When identifying whether an employer has more than 5,000 staff in the UK, this should include all divisions and subsidiaries of the company, or, for example in the case of a large retailer, the total number of staff at all the stores.

33 When the employer is referred, the NES Train to Gain co-ordinator requires the following information in order to process the enquiry:

- broker or regional LSC contact;
- company name;
- contact at company, their job title, contact number, email and site address;
- any proposed training provider;
- requested number of learners;
- qualifications to be delivered and/or sectors.

34 Where the NES has an existing relationship with the employer (for example, national human resources director) to ensure that they are aware of the regional activity and to capitalise on it to build commitment on a larger scale. Once the employer’s head office has made a decision, the Train to Gain co-ordinator will inform the broker or provider on how they wish to proceed.

35 Where the NES has no existing relationship with a potentially eligible employer, the aim will be to establish one. An NES national account manager will contact the employer with the view to facilitating a joint initial meeting where the referrer (that is, a regional colleague or broker) and the NES account manager can meet with the employer and discuss their requirements further.

36 If the NES receives an enquiry for an employer who does not meet the NES remit, then the Train to Gain co-ordinator will refer the lead back to the relevant regional Train to Gain contact or the broker. Similarly, if the NES receives an enquiry direct from a 'non-NES' employer they will put them in contact with the appropriate regional colleague to work with them.

37 The NES will record details of all enquiries for employers that meet their remit on the NES CRM system.

38 Any queries regarding this protocol, for example over whether an employer should be referred to the NES, or for further information on the NES offer, contact the Train to Gain co-ordinator. A flowchart explaining the NES protocol is included at the end of this annex.

Information, Advice and Guidance and the Matrix Standard in Respect of Train to Gain Programmes

39 The matrix Standard is the quality standard that ensures the holders of the accreditation have a consistent approach to information, advice and guidance (IAG) for learning and work provided to learners prior to, during and at the end of their learning. It also shows that the organisation supports all individual learner journeys to the same high standard.

40 The Standard ties together all the components of information and advice that are being provided within Train to Gain provision and ensures consistency of delivery. It is a non-prescriptive, outcome-based standard which enables a diverse range of organisations to hold the quality mark.

41 The Standard requires that staff are competent to deliver the IAG service within the role for which they are employed (for example, assessors, tutorial and delivery staff involved in the delivery of Train to Gain) and that they are given sufficient support to deliver the information and advice service that they are providing.
42 Organisations that deliver to the matrix Standard will be well placed to achieve an embedded approach to the delivery of information, advice and/or guidance as part of supporting learners on Train to Gain programmes.

43 The IAG process for employees (learners) falls into three stages:

- Getting in;
- Getting on;
- Moving on.

**Getting in**

44 This should be a general information session for employees interested in participating in training, providing details of learning options available and an opportunity for individuals to ask any questions they may have. This session can be delivered on an individual or group basis.

45 Individuals wishing to participate should have the option for a one-to-one IAG session with a provider. In this session the provider should:

- look at individuals’ training needs and identify appropriate learning (including screening for Skills for Life needs);
- discuss the benefits of learning;
- provide advice on any issues or concerns, for example, course expectations, study skills etc.;
- inform the employer of the next steps and advise them of the ongoing support available.

**Getting on**

46 Learners should all have the option to access ongoing information, advice and guidance. This can be organised on an ad-hoc basis, as and when required.

47 Support can be requested through a variety of sources including email, telephone, websites and text messaging, for example.

48 The ongoing support should include general learner support, and help to overcome any barriers to learning which if not addressed could lead to the individual dropping out.

**Moving on**

49 The key to encouraging employees to continue in learning and develop their skills further is the provision of IAG at the end of a period of learning; for example, the provision of exit information. Therefore, IAG providers should arrange to see each learner to:

- review their learning experience;
- discuss how this may be of benefit in their current role;
- complete an evaluation of their learning;
- consider other options for continuing learning related to their current and future roles;
- agree with them their next steps.

**Additional Definitions and Terminology for Train to Gain**

**Level 3 jumpers**

50 Learners who do not already possess a full Level 2 qualification are also eligible for Train to Gain if they go straight to a full Level 3 qualification.

**Local employment partnerships**

51 Local employment partnerships (LEPs) are a new collaboration between Government and business to tackle the increasing recruitment and skills challenges of the labour market and economy. Employers across the country have signed up to working in partnership with Jobcentre Plus to open up opportunities for people who, for whatever reason, have not yet been able to take up employment opportunities. LEPs help with recruitment and offer people opportunities to get back into the workplace and progress through, for example, interviews, mentoring, on-the-job training or work trials.

**Self-employed**

52 A self-employed individual is responsible for their own tax and national insurance contributions and may work independently, or for a company on a self-employed basis. Self-employed individuals are now able to access Train to Gain training, providing they satisfy the normal eligibility rules on prior attainment. They may not, however, access funding for contribution to wage costs for themselves, but their employees (if any) maybe eligible for contribution to wage costs.

**Sole trader**

53 Sole trader is the simplest legal structure for a business, meaning that the business owner is personally liable for any debts that the business runs up while it is trading. For the purposes of Train to Gain, sole traders are self-employed and may or may not employ others within the business. Sole traders may not access contribution to wage cost funding for themselves but their employees, if any, maybe eligible for contribution to wage costs. In line with other self-employed individuals, sole traders may now receive training providing they satisfy the normal Train to Gain eligibility rules on prior attainment.
Volunteers

For Train to Gain purposes, a volunteer is defined as being unpaid but providing work within a company or other organisation in any sector. There is no formal contract of employment, so volunteers will not be eligible to receive contribution to wage costs and need to satisfy the normal Train to Gain eligibility rules on prior attainment.
Figure M1: National Employer Service protocol

All employers with 5,000+ employees

Refer all enquiries regarding these employers before progressing to National Employer Service (NES) Train to Gain co-ordinator: Cvh-businessenquiry@lsc.gov.uk, tel. 02476 825815

Referrals could come via various routes:
- employers directly
- brokers
- providers
- regional LSCs
- other stakeholders (QCA, BITC, DIUS etc.).

Please provide the following information to the NES Train to Gain co-ordinator at referral:
- broker or regional contact
- company name
- contact at company, their job title, contact number, email and site address
- any proposed training provider
- requested number of learners
- qualifications to be delivered/sectors.

NES Train to Gain co-ordinator will determine current situation and direct the enquiry appropriately

Existing NES contract

NES in discussion with

No current relationship

NES national account manager will contact NES' national contact at the employer to obtain their decision – three options:

Add provision to national contract – all information to be passed to NES to proceed nationally

Do not proceed with provision – inform local employer to contact head office and not to proceed with training

Region to proceed – regional training to proceed and keep NES informed of any growth in the training provision

If employer meets NES contract requirements, NES to facilitate joint initial meeting with national HR director to establish engagement

NES Train to Gain co-ordinator will inform the broker/regional contact of the employer’s decision
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Note: Numerical locators (without prefixes) refer to paragraphs within this document, Principles, Rules and Regulations. Bold numerical locators refer to key references.

Other documents in the LSC Funding Guidance 2008/09 are indexed by paragraph number preceded by prefixes in bold as follows:

CAAG – ILR Funding Compliance Advice and Audit Guidance for Providers
CAR – ILR Funding Claims and Audit Returns
FF – Funding Formula
FR – Funding Rates
LEG – Learner Eligibility Guidance

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