For information

LSC Funding Guidance 2009/10:

School Sixth Form Guidance 2009/10

June 2009

Of interest to head teachers, curriculum deputies, directors of sixth forms, bursars in schools with sixth forms and local authorities with school sixth forms in their area
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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For information

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

A: Acronyms and Glossary -
B: Listed Funding Values -
C: Area-costs Uplift by Region -
D: SLN Values for Diplomas -

Document History
Version 1.0 published 15 June 2009. Changes from the 2008/09 funding guidance are highlighted.
Executive Summary

School Sixth Form Guidance 2009/10

This document sets out how the Learning and Skills Council (LSC) funds school sixth forms from 2009/10.

It updates School Sixth Forms Funding Guidance 2008/09 and 2009/10. LSC Funding Guidance 2008/09 sets out the LSC’s approach to, and the authoritative guidance for, the funding of LSC provision in 2008/09 and 2009/10. This document is part of a series of booklets, under the main heading LSC Funding Guidance 2008/09 (each separate document is listed below), and outlines the main features of the LSC funding arrangements for 2008/09. This shortened version has been produced specifically for school sixth forms for 2009/10; additional details can be found in the other booklets in the series.

- Funding Rates
- Funding Formula
- Principles, Rules and Regulations
- Learner Eligibility Guidance

These booklets are available from the LSC website at: [http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further_Education_Funding_Policy_Documents_2008-09.htm](http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further_Education_Funding_Policy_Documents_2008-09.htm).


The LSC’s general approach to and strategic priorities for 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 School Sixth Form Guidance 2009/10, is set out as follows.

- **Section 1: Introduction and Background** provides an introduction to the document.

- **Section 2: Funding Formula Principles** provides details of the funding formula.
• **Section 3: Funding Rate Principles** provides details of funding rates.

• **Section 4: LSC Funding Allocations to School Sixth Forms** provides details of the principles for the allocation.

• **Annex A: Acronyms and Glossary** provides an explanation of the terms used in the document.

• **Annex B: Listed Funding Values** sets out the funding values of qualifications available.

• **Annex C: Area-costs Uplift by Region** sets out the area-cost uplift by region.

• **Annex D: SLN Values for Diplomas** provides examples of the SLN values for the component parts of the new Diplomas.

The guidance in this document and all other *LSC Funding Guidance 2008/09* and LSC Funding Guidance 2009/10 documents is the definitive LSC guidance and takes precedence over any other separate documents.

The funding approach has changed significantly in 2008/09, as described in *The 16–18, Adult Learner- and Employer-responsive Funding Models* published by the LSC in November 2007 and updated in May 2008.

This document describes the new funding formula and supersedes any previous funding guidance. It does not describe every difference between the new formula and the old formula due to the scale of the changes.

**Intended recipients**

Head teachers, curriculum deputies, directors of sixth forms, bursars in schools with sixth forms and local authorities with school sixth forms in their area.
1: Introduction and Background

1. This document sets out the Learning and Skills Council’s (LSC) Funding Guidance for all funded programmes in schools in 2009/10 (referred to hereafter as `the Guidance`). All schools that receive funding from the LSC for their provision are required to comply with the Guidance.

2. The information given in this document provides details of the LSC’s approach to funding in 2009/10. 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. Definitions of the terms used in this document are set out in ‘Annex A: Acronyms and Glossary’.

4. 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 system, which has changed significantly from 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).

5. 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.

6. All school sixth form provision will be funded through the 16–18 model, allowing for a standard methodology across the whole post-16 sector.

7. This new funding system supports and reinforces the aims of reforming education and training for 14- to 19-year-olds described in the 14–19 Education and Skills White Paper – namely, to create a system where more young people are prepared by their education for success in life. Teenagers need a broad but focused education that not only equips them for progression in learning for a particular job today, but that also gives them the right foundation for their adult lives – as individuals, in the family and in the community, as well as at work. The reformed system will encourage broad programmes and will embrace the range of new Diplomas available from September 2008.
8. The Government continues to invest more to increase the overall numbers of young people participating in learning. Because the total number of young people is declining in many areas, we also expect this investment to help us deliver targeted efforts to reduce the number of young people who are classified as not in education, employment or training (NEET).

Summary of Key Features

9. For the first time, schools will have a dialogue with LSC partnership teams about allocations, which will agree the contribution to the 14–19 plan and local area prospectus. Key elements that will inform the allocation will be:

- previous years’ delivery;
- current years’ recruitment;
- anticipated recruitment for the next year;
- significant changes to the mix and balance of provision.

Funding methodology

10. The funding methodology will be used to provide a nationally consistent method of calculating allocations to all 16–18 providers based on the amount of learning delivered through the standard learner number (SLN), a national rate per SLN and an individual provider factor.

Standard learner number

11. The annual SLN is capped by aggregating the values for the individual learning aims to learner level and capping at a maximum of 1.75 annual SLN per learner.

Success rates

12. Individual school success rates will be calculated at a learning aim level, replacing the standard national achievement rate of 87 per cent and the individual school retention rate for pupils between September and January.

Disadvantage

13. The formula uses the Index of Multiple Deprivation (IMD) 2004, which measures disadvantage by super output area, using learners' postcodes, replacing the use of free school meals (FSM) as a measure of disadvantage. The free school meals measure was based on the 11–16 cohort of the school and did not reflect the 16–18 cohort. The use of the IMD allows for a consistent approach across all providers.
Additional learning support

14. Additional learning support (ALS) is being introduced as an element of the funding calculation for schools. This is based on the GCSE points score for English and Mathematics for learners when they are recruited.

15. Summary of key changes to School Sixth Form Guidance 2009/10.

- Schools with high individual rates of funding per SLN for transitional protection.
- Success Rates
  - Final 2009/10 funding allocations.
  - Entitlement – and definition of Full Time.
- Recording data.
- Foundation Learning Tier
2: Funding Formula Principles

The Formula

16. The formula that underpins the demand-led funding models has been stated in previous LSC documents and is repeated below.

\[ \text{Funding} = \text{SLN} \times \text{Rate per SLN} \times \text{Provider factor} + \text{Additional learning support} \]

17. This section details the calculation of the SLN, provider factor and additional learning support.

Standard Learner Number

18. The standard learner number (SLN) is a measure of volume of activity associated with a qualification or learning aim.

19. The 2009/10 national funding rate per SLN of £3,007 for schools has been published on the LSC website and in Funding Rates. The LSC will inform providers of their provider factor and their funding rate per SLN.

SLN Values

20. Funding rates for 2009/10 will be stated as SLN values. An SLN value is a measure of fundable volume for a whole learning aim, irrespective of the time taken to deliver it.

21. It is SLN values that will be listed on the Learning Aim Database (LAD) and used as a basis for the funding calculations in all demand-led funding (DLF) models.

22. In classroom and other group-based environments, SLN values are directly related to guided learning hours (glh).

23. Not all learning aims in the 16–18 model have listed SLN values – some are unlisted.

24. Unlisted learning aims, that is, learning aims that do not have an SLN value stated on the LAD, will be collated as part of the School Census data. Once School Census data has been received, a review will commence to set appropriate rates for any unlisted learning aims. As a general guide, rates will be set based on similar learning aims and qualification types.
Annual SLN Values

25. The annual SLN is the measure used directly in the funding calculations for the purposes of calculating actuals at a learning aim level for the 16–18 learner-responsive funding model.

26. The annual SLN is the number of SLN to be delivered in that year and are counted when a learner is deemed to have started.

27. Annual SLNs 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 of each learner’s programme. Hence, when a learner is on a two-year programme, an annual SLN will be calculated separately for each year.

Definition of a start

28. The annual SLN will be counted when a learner is deemed to have started.

29. A learner is deemed to have started a learning aim once they have remained on that learning aim within the current funding year for the period of time defined in Table 1.

Table 1: Criteria for learner-responsive SLN start purposes

<table>
<thead>
<tr>
<th>Learning aim length in-year</th>
<th>Start period</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;= 24 weeks</td>
<td>6 weeks</td>
</tr>
<tr>
<td>2 to 24 weeks</td>
<td>2 weeks</td>
</tr>
</tbody>
</table>

Guided learning hours

30. SLN values are based on guided learning hours (glh).

31. The glh for a learning aim is listed in the Learning Aim Database (LAD).

32. In addition, for all learners with the 16–18 funding entitlement and with a total planned glh in the relevant funding year of at least 450 including the entitlement glh, a record with a listed SLN value is added for the entitlement.

Conversion from glh to SLN

33. The SLN value for each learning aim is the SLN glh value divided by 450.
34. For example, an AS-level is listed as 150 glh; divided by 450, it has 0.333 SLN. A Level 2 Diploma with a funding glh of 600 has 1.333 SLN (600 divided by 450).

**The funding cap**

35. The annual SLN is capped by aggregating the values for the individual learning aims to learner level and capping at a maximum of 1.75 annual SLN per learner.

**Provider Factor**

36. While SLN gives a robust measure of volume of learning, the relative cost of that learning must also be taken into account by the funding formula. The provider factor (and component provider factor weightings, as described below) is the measure that reflects the relative cost of provision. It includes the following drivers of relative cost:

- success factor;
- area costs;
- programme weighting;
- disadvantage.

37. The provider factor is the provider-level aggregation of the provider factor weightings within each funding model. It is a single figure that can be expressed as composite parts, and is pre-set based on the prior year’s data.

**Provider factor weightings**

38. Provider factor weightings are the elements of the provider factor applied at individual learning aim level. For example, the programme weighting factor associated with a particular learning aim or the area costs factor associated with a particular postcode.

**Success Factor**

39. Individual school success rates will be used in place of the individual school retention rate for pupils between September and January and the national achievement rate of 87 per cent.

40. The success rate used for 2009/10 is based on two elements: a retention rate and an achievement rate.

41. In calculating the success factor, the cost of pupils who have not completed is recognised, and therefore the minimum success factor will be 0.50 in recognition of the work the school has done with those students that do not achieve/complete.
42. Schools should be aware that students withdrawing after the six-week period will have an effect on retention.

43. The success factor is then the mid-point between the success rate and 100 per cent. This is found from the formula:

\[
\text{Success factor} = 50\% + \frac{\text{success rate}}{2}
\]

44. The calculation of success rates includes all learners generating SLN values in school funding returns. For example, for a full year full-time programme this will include all learners still in attendance after the first six weeks (42 days) of each individual programme.

**Area Costs**

45. There is a single change to the index of area cost factors for Cambridgeshire in 2009/10 as reflected in Annex C. For the 16–18 model, the provider-level area costs uplift is normally determined by the geographical location of the provider’s headquarters. These are set out in ‘Annex C: Area-costs by Region’.

**Programme Weighting and Disadvantage**

46. In order to ensure that the provider factor has exactly the same effect on a provider’s funding as applying the various weightings at learning aim level, the calculation of some provider factor elements must be carried out at learning aim level and then aggregated up, before being disaggregated into component parts.

47. The elements of the provider factor that must be calculated in this way are those elements that operate at learner or learning aim level. That is, the programme weighting and disadvantage elements.

48. For the 16–18 model, the values for individual learning aims are weighted by the annual SLN of those learning aims when aggregating them to provider level.

49. **Programme weightings** for all learning aims are taken from the LAD.

50. The **disadvantage** uplift is based on the IMD 2004.

51. Information regarding the IMD can be found at: [www.lsc.gov.uk/Jargonbuster/Index+of+Multiple+Deprivation.htm](http://www.lsc.gov.uk/Jargonbuster/Index+of+Multiple+Deprivation.htm).
Additional Learning Support

52. ALS is being introduced as an element of the funding calculation for schools.

53. The formula is based on GCSE points score in English and Mathematics for each learner.

Employers’ Pension Contributions

54. An additional element to the school sixth form allocation outside the formula detailed above is the employers’ pensions contributions.

55. In 2009/10 the Department for Children, Schools and Families (DCSF) is devolving £50.8 million to the LSC to meet additional employer contributions to teachers’ pensions.

56. For 2009/10 the LSC has allocated this money separately to schools. As with previous years, the relevant pension contribution allocations are based on pupil numbers and uplifted by the school’s area costs factor:

57. The formula is: Pension rate x Learner numbers x Area cost

Teachers’ Pay Grant

58. Also outside the formula, paid to the local authority (LA) is the Teachers’ Pay Grant (TPG). A consequence of new school funding arrangements is the consolidation of some standards fund money into mainstream school funding; one element of this is the TPG.

59. This funding has been transferred to the LSC to distribute in respect of school sixth forms. The LSC will pass this grant to the relevant LA for it to distribute according to its own criteria. The only stipulation the LSC makes is that the distribution is transparent and separately identified.

60. The TPG is calculated by uplifting the previous year’s TPG grant by the Minimum Funding Guarantee, expressed as for 2009/10:

          Teacher’s Pay Grant 2008/09 x 2.1%
3: Funding Rate Principles

SLN Values

61. Each learning aim has an SLN value reflecting the size of the learning aim. Learning aims are either funded at a listed SLN or are unlisted.

62. Listed SLNs are used where there is a high degree of consistency among providers in the number of glh used to deliver the learning aim.

Listed SLN Values

63. The values for individually-listed learning aims are available for a learner who completes the aim, irrespective of the time taken to complete. The same SLN value is payable irrespective of the duration of the learning aim.

64. The SLN values (expressed in terms of glh) for the main individually listed learning aims are set out in Annex B: Listed Funding Values.

SLN values for specific learning aims

65. The SLN values for all listed learning aims may be found in the Learning Aim Database (LAD). These are stated in glh for the schools funding model. Where the values are expressed in glh, the SLN values for individual learning aims are then calculated by dividing the glh by 450. Full details of the conversion rate between glh and SLN is described in the booklet Funding Formula.

66. SLN values for all learning aims have been considered by the technical sub-group of the LSC’s Funding, Planning and Performance Board. The group examined data on guided learning hours (glh) extracted from the individualised learner record (ILR) for 2007/08 and has recommended changes to the SLN values for provision funded using the 16-18 and adult learner-responsive funding models. Of these changes to listed values, 74 learning aims were already listed in 2008/09 and a further 68 learning aims were unlisted in 2008/09. A final 21 learning aims were listed in 2008/09 but have glh data in 2007/08 that is inconsistent, and so are no longer listed. These values are detailed in Annex B.

67. Schools do not return data to the LSC using the ILR. Instead, data is returned to the Department for Children, Schools and Families (DCSF) using the School Census. The School Census does not record glh, and therefore any learning aims that are delivered in schools but which are unlisted for other providers will require a schools’ listed SLN value.
68. In 2009/10, a number of learning aims that were previously unlisted for learner-responsive providers now have listed values and similarly some listed programmes in 2008/09 are now unlisted for 2009/10. It should be noted by providers that a listed value simply means that the LSC will apply a standard rate to the learning aim. It does not imply any sort of priority as it is based purely on consistent glh delivery.

69. The 2008 review of glh paid particular attention to the listed rates for GCE AS/A2- and A-level Critical Thinking. These are not being adjusted in 2009/10, as the glh is not sufficiently consistent around the average. As with all other qualifications, the LSC will continue to monitor this on an annual basis.

70. As described above, listed SLN values for main qualifications are summarised in Annex B: Listed Funding Values of this document and are recorded in the LAD.

71. The funding arrangements for the new Diplomas are explained in Annex D: SLN Values for Diplomas.

**National funding rate**

72. The national funding rate for 2009/10 was published by the LSC in December 2008, see Table 2.

**Table 2: National funding rate**

<table>
<thead>
<tr>
<th>Funding model</th>
<th>National funding Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>16–18 Learner-responsive: School sixth forms</td>
<td>£3,007</td>
</tr>
</tbody>
</table>

**Transitional protection**

73. The purpose of transitional protection is two-fold:

1) to ensure that schools do not lose in cash terms per SLN compared with 2008/09;

2) to ensure that schools do not receive an inappropriately large increase in funding per SLN between 2008/09 and 2009/10.

74. For 2009/10 the LSC has moderated the effect by limiting the variation in funding per learner (measured through SLN) to +/- 2.1 per cent, reflecting the Minimum Funding Guarantee figure agreed by ministers. This means that individual schools may be on a different rate from the national rate.
75. The LSC will inform providers of their funding rate per SLN for 2009/10 – either the national rate or a transitional protection rate where appropriate – along with their provider factor and other elements of the funding allocation.

**Schools with high individual rates of funding per SLN for transitional protection.**

76. For the 2009/10 allocation the Standard Learner rate was calculated for each school that required transitional protection, this resulted in a number of schools with a rate over £4000.

77. A number of schools had a transitional rate per SLN of over £4,000 primarily because they were funded at an inappropriately high funding rate per pupil in 2007/08 as a consequence of the Minimum Funding Floor and the Real Terms Guarantee.

78. The transitional protection policy for 2009/10 allocations is that no school will gain or lose by more than 2.1%. In effect those schools with a rate greater than the 2009/10 National Rate for School Sixth Forms of £3007 would not receive the increase for inflation.

79. If this policy were applied to all schools above the national rate it would take a considerable time before these schools were on the national rate.

80. To accelerate the number of schools receiving the national rate, the rate which categorises a school as an outlier will be reduced. These newly classified outliers will have their £/SLN rate reduced rather than applying the policy of no increase. The following rates will be used as the baseline for classification of outliers in each of the following years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10</td>
<td>£3800</td>
</tr>
<tr>
<td>2010/11</td>
<td>£3600</td>
</tr>
<tr>
<td>2011/12</td>
<td>£3400</td>
</tr>
<tr>
<td>2012/13</td>
<td>£3200</td>
</tr>
</tbody>
</table>

81. A different percentage reduction to each group of schools which would be above the new outlier threshold, will be applied.

For all schools with an SLN rate in 2009/10 of greater than £3800, a reduction of 25% of the difference between their rate and £3200 would apply in that year and the 3 subsequent years.

For all schools with an SLN rate in 2010/11 of greater than £3600, a reduction of 33% of the difference between their rate and £3200 would apply in that year and the 2 subsequent years.

For all schools with an SLN rate in 2011/12 of greater than £3400, a reduction of 50% of the difference between their rate and £3200 would apply in that year and the following year.

In 2012/13 all schools above £3200 would be reduced to the national rate.
Area costs

82. Previous research showed that there is a clearly marked difference in relative costs between London and the South East, and the rest of England. Table 3 shows the area-costs uplift for 2009/10.

Table 3: Area-costs uplift 2008/09

<table>
<thead>
<tr>
<th>Local LSC region and districts</th>
<th>Uplift 2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>London A (Inner London)</td>
<td>20%</td>
</tr>
<tr>
<td>London B (Outer London)</td>
<td>12%</td>
</tr>
<tr>
<td>Berkshire (fringe and non-fringe)</td>
<td>12%</td>
</tr>
<tr>
<td>Surrey</td>
<td>12%</td>
</tr>
<tr>
<td>West Sussex fringe (Crawley)</td>
<td>12%</td>
</tr>
<tr>
<td>Buckinghamshire fringe</td>
<td>10%</td>
</tr>
<tr>
<td>Hertfordshire fringe</td>
<td>10%</td>
</tr>
<tr>
<td>Buckinghamshire non-fringe</td>
<td>7%</td>
</tr>
<tr>
<td>Oxfordshire</td>
<td>7%</td>
</tr>
<tr>
<td>Essex fringe</td>
<td>6%</td>
</tr>
<tr>
<td>Kent fringe</td>
<td>6%</td>
</tr>
<tr>
<td>Bedfordshire</td>
<td>3%</td>
</tr>
<tr>
<td>Hertfordshire non-fringe</td>
<td>3%</td>
</tr>
<tr>
<td>Cambridgeshire</td>
<td>2%</td>
</tr>
<tr>
<td>Hampshire and Isle of Wight</td>
<td>2%</td>
</tr>
<tr>
<td>West Sussex non-fringe</td>
<td>1%</td>
</tr>
<tr>
<td>Rest of England</td>
<td>0%</td>
</tr>
</tbody>
</table>

Disadvantage Factor

Index of Multiple Deprivation 2004

83. The formula uses the Index of Multiple Deprivation which measures disadvantage at ‘super output area’, replacing the use of free school meals as a measure of disadvantage.

84. The IMD 2004 gives a value of relative deprivation for every lower layer super-output area (SOA) in the country, and is widely used in government. It is based on income deprivation (22.5 per cent),
employment deprivation (22.5 per cent), health deprivation and disability (13.5 per cent), education, skills and training deprivation (13.5 per cent), barriers to housing and services (9.3 per cent), crime (9.3 per cent) and living environment deprivation (9.3 per cent).

85. The IMD 2004-based disadvantage uplift will mean the following.

1) Funding for learners living in the 27 per cent most deprived super-output areas of the country will be increased for disadvantage.

2) The funding uplift for these learners ranges from 8–32 per cent, depending on the level of deprivation recorded in the IMD 2004.

86. The uplift values for individual postcodes will be published on the LSC website.

Programme-weighting Factors

87. Programme weightings recognise that some programmes are more costly to deliver than others.

88. As a broad basis, qualifications awarded an ‘A’ weighting are classroom based, qualifications awarded a ‘B’ weighting are laboratory and workshop based, whereas ‘C’ weighting is awarded to qualifications which incur high maintenance and material costs (see Table 4).

Table 4: Programme-weighting factors

<table>
<thead>
<tr>
<th>General basis for criteria</th>
<th>LSC programme weightings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classroom based</td>
<td>A</td>
</tr>
<tr>
<td>Laboratory or workshop based</td>
<td>B</td>
</tr>
<tr>
<td>High maintenance and material costs</td>
<td>C</td>
</tr>
</tbody>
</table>

Entitlement

89. 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 the entitlement from 2008/09.

90. All full-time 16- to 18-year-old pupils receive funding for their ‘entitlement’, which covers tutorials and other enrichment activities. The latter include personal, social and health education (PSHE); sport; music; dance; drama (non-examinable); Young Enterprise; Duke of Edinburgh Awards; and some religious education and Christian worship.
91. Full time is defined as being on a course of 450 glh (1 SLN) or more in a year. This 450 glh includes the entitlement of 114 glh (0.25 SLN) therefore other qualifications in the learners programme must total at least 336 glh (0.75 SLN) to qualify.

92. The LSC does not provide extra funding beyond the entitlement for these activities and enrichment ‘lookalike’ qualifications.

93. The entitlement is assumed to make up about four to five hours per week for each pupil.

94. Schools receiving significant disadvantage funding should consider supporting their students by extending their entitlement with additional support, such as literacy, English as an additional language, information and communication technology (ICT) and other relevant activities.

Key Skills and Functional Skills

95. Key skills and functional skills are funded separately from the entitlement funding from 2008/09.

96. Each core key skill has a listed SLN value based on 36 glh.

97. Functional skills are unlisted in 2009/10. 16- to 18-year-old learners studying functional skills as part of a larger programme are expected to require a similar number of glh as key skills. Functional skills studied in a school sixth form will be funded in line with key skills at a listed SLN value based on 36 glh.
4: LSC Funding Allocations to School Sixth Forms

98. The LSC communicates funding allocations as clearly and as early as possible to schools to aid funding stability and long-term planning of the curriculum, staffing and budgets.

99. The 2009/10 allocations are as notified by the LSC. DCSF has asked to be kept informed of individual recruitment issues from September 2009 and will continue to monitor this September’s recruitment very carefully.

100. LSC funding is paid on a teaching year basis with each funding year starting 1 August and ending on 31 July. Local Authorities (LA’s) pay schools on a standard Treasury or LA financial year basis, usually starting 1 April and ending 31 March.

LA Deductions from LSC Allocations

101. The LSC provides funding to LAs to forward to schools with sixth forms – it does not directly fund schools.

102. The 2006 Financing of Maintained Schools regulations allow LAs to reduce the funding within both the LSC allocation and the school’s non-age-weighted pupil unit (AWPU) funding.

103. The regulations also allow LAs to add to the LSC allocation to sixth forms.

Schools in Exceptional Financial Difficulty

104. The LSC is aware of the need for stability in sixth form funding as the loss of a proportionally large number of sixth formers in September can adversely affect a school’s overall budget, and thus its ability to provide an appropriate education for those sixth formers still in the school.

105. The LSC has developed longer-term support measures for those few schools which find themselves in extreme financial difficulty across the whole school.

106. This involves a three-year financial and curriculum recovery plan drawn up and agreed by the school, the LA and the LSC. This gives a planned and consistent approach to tackling more significant and longer-term difficulties in the school.

The 2009/10 Allocation Cycle

107. Figure 1 summarises the funding allocation cycle for 2009/10.
The 2008/09 allocation was calculated by the methodology outlined below and a similar approach has been adopted for the 2009/10 allocation:

- All SSFs (other than those classed as outliers or future outliers) will receive the national funding rate per SLN. This means all but 357 SSFs are on the national rate.
- 2009/10 Outliers (40 SSFs) have a calculated rate to reach the national rate by 2012/13. These will have a reduced £/SLN and £/Learner in 2009/10.
- Those SSFs with a rate per SLN of over £3,200 (317 SSFs) are held at their current (2008/09) rate for 2009/10 and therefore do not receive the MFG of 2.1%.
- The SLN /Learner ratio is the lower of 2006/07 and 2007/08 to ensure the LSC does not consolidate growth in the size of learner’s programmes. This is then adjusted to allow for the introduction of Diplomas, International Baccalaureate and the movement from part to full time attendance. All changes have been nationally moderated.
- The Success Rate methodology used focuses on two elements – a success rate for year 13 and 14 learners and a retention rate for year 12 learners. The census data (matched to awarding body data) allows for a clear identification (in the majority of cases) of which learning aims have been successfully completed in years 13 and 14. The census data also allows for a clear identification of those learning aims that have been withdrawn from between the start of year 12 and May the following year, which in turn allows for a retention rate to be calculated. The methodology uses (88%) of all year 12 and matched year 13 and year 14 aims. The methodology generates success rates which at a national level are within 1% of those used for 2006/07 and in line with the LSC’s predictions.
- Transitional Protection is then applied to the change in £/Learner to moderate the change in unit funding but still recognise the change in learner numbers within the allocation. This is applied by giving all SSFs (other than outliers) a 2.1% uplift thereby honouring the Minimum
Funding Guarantee (MFG) and then where the percentage change £/Learner is above 2.1% allowing up to a further 2.1% increase.

Pupil Eligibility

108. To be eligible for LSC funding as a pupil in a school sixth form, a young person must:

1) be under 19 years of age at the start of their sixth form programme of study;

2) have the right of abode in England (non-European Economic Area (EEA) nationals will generally not be eligible for LSC funding unless accompanying parents with the legal right to reside in the UK).

109. The decision as to whether a young person is to be admitted to a school sixth form does not rest with the LSC but with the governing body or maintaining LA, in accordance with the DCSF School Admissions Code of Practice.

110. There will be circumstances which make it appropriate that a young person attends school on a part-time basis, when determined to be appropriate by the school and the LSC.

111. The LSC’s Learner Eligibility Guidance sets out the authoritative guidance for learner eligibility.

Pupils in year 11 studying a Level 3 programme

112. To qualify for LSC funding, the majority of a pupil’s programme must take place in the sixth form. For pupils in year 11 or below this means that the majority of the pupil’s programme must be made up of Level 3 or above qualifications.

113. This supports the 14–19 Education and Skills White Paper, which encourages pre-16 learners to take advantage of the greater flexibility that allows them to ‘fast track’ on to Level 3 programmes.

114. Some pupils in years 10 or 11 may be studying an AS or A2 course as well as their GCSE programmes because they are on a fast-track programme. These pupils are funded by the LA and so are not eligible for LSC funding.

115. Pupils are funded either by the LSC or by the LA; they cannot be funded by both.

116. Schools are reminded that additional funding is not available for qualifications which are subsidiary to other qualifications studied by the pupil, or for qualifications studied as part of the four or five hours per week of enrichment studies funded as part of the entitlement.
117. ‘Additionality’ means that a pupil studies a qualification which had previously been within entitlement, for a longer period of time than would be the norm if being studied as part of the entitlement. The pupil would attract additional funding for this, but only if the total programme is within the SLN cap of 1.75.

Qualifications

118. The LSC will only fund qualifications in school sixth forms that are listed under Section 96 of the Learning and Skills Act 2000. This can be found at [www.dcsf.gov.uk/section96/](http://www.dcsf.gov.uk/section96/).

119. If a qualification is listed on Section 96 then it is not necessarily eligible for funding.

120. The following are eligible for funding.

1) Main qualifications, such as A-levels, International Baccalaureate and Diplomas.

2) GCSEs being studied for the first time.

3) Other vocationally related qualifications, those which are eligible for funding are listed on the LAD.

4) Qualifications at Levels 1, 2, or 3 which clearly add additionality to a pupil’s entitlement.

5) Qualifications that act as a framework for special educational needs (SEN) pupils on the basis that the pupils are taking only that framework.

121. Other qualifications will be considered when each school’s allocation is determined.

122. Area-wide inspections and joint area reviews have pointed out the importance of a wide range of qualifications being available for young people post-16. Such curriculum pathways are significant in engaging and motivating young people to remain in learning and to:

1) increase the numbers of young people achieving a Level 2 by age 19;

2) increase the proportion of young people achieving a Level 3 by age 19;

3) reduce the numbers of young people who are not in education employment or training (NEET).
Level 1 and Level 2 qualifications

123. The LSC will fund learners aged 16 or over who are studying programmes at Level 1 and Level 2 within the sixth form where the curriculum pathways are significant in engaging and motivating young people to remain in learning and achieve a full Level 2 and/or Level 3 by the age of 19. However, the LSC expects that these are programmes to support progression and not qualifications being studied in addition to those at Level 3. Sixth forms wishing to introduce such qualifications should consider how their introduction fits with the locally agreed 14–19 plan.

Foundation Learning Tier

124. The LSC and the QCA are working together to reform provision below level 2. By 2010 a revised set of credit based units and qualifications will be in place with clear progression routes through entry level and level 1 to level 2. These aim to increase participation and achievement amongst learners and help them to progress through work and life. The programme of work is known as the Foundation Learning Tier, a term which is used to describe qualifications at entry level and level 1 within the Qualifications and Credit Framework (QCF).

125. Any SSF wishing to deliver foundation learning should follow the principles of the Foundation Learning Tier. Further information is available at http://www.qca.org.uk/qca_8153.aspx.

126. Only qualifications accredited on the QCF and authorised for funding by the LSC are fundable. All qualifications must be recorded individually on the School Census.

Diplomas

127. 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.
128. The following principles will apply to post-16 Diploma funding.

1) The standard LSC funding methodology is used, for simplification and standardisation.

2) The programme weightings that apply are those used for further education because of the vocational nature of the Diploma.

3) Funding will be allocated to and flow through the learner’s home provider.

4) Success rates will be calculated for achievement of the whole Diploma.

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

129. 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.

Higher-level programmes

130. The LSC will support qualifications which enable pupils, where appropriate, to study at a higher level than Level 3. This is in line with the 14–19 Education and Skills White Paper.

131. Section 105 of the Education Act 2005 gives governing bodies of maintained schools in England (and Wales) the power to arrange the provision of higher education (HE) for pupils in the school.

132. Schools can now deliver HE as part of a full-time Level 3 programme for an individual pupil, and the LSC will fund that HE qualification, subject to the following conditions.

1) The HE qualification must be a small part of the provision, typically instead of an AS-level, and the young person must have a full Level 3 programme including the HE provision. Schools must substitute higher-level and more stretching provision in place of courses and qualifications that school pupils might otherwise pursue.

2) 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 without any teacher input from the school.
3) Where distance or online learning is involved, there must be no charge to the pupil for course materials, supporting books, access to IT and similar activities or matters.

4) An HE course will not be funded in addition to the cap of 1.75 SLN.

5) 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 (YASS) of the OU, but other courses at higher levels may be involved.

6) OU modules will be funded at the same rate as an AS/A2 qualification; a 60-point course will attract a full AS/A2 funding rate, while 30-point and 10-point courses will be funded at one-half and one-sixth of the AS/A2 funding rate respectively.

7) School sixth forms will be required to record individual qualifications data as part of the School Census. Nine codes have been set up in the Qualification Accreditation Number (QAN) web services to allow schools to record YASS qualifications.

8) Other than in these circumstances, the LSC will not fund HE in schools, or anything which is funded by the Higher Education Funding Council for England (HEFCE).

Collaboration

133. The LSC strongly encourages collaboration between schools, colleges and work-based learning providers. It also encourages collaboration with independent schools, particularly for minority A-level subjects.

134. Consortia must ensure that pupils within the consortium are recorded on only one school’s roll.

135. The school at which pupils are on the roll should record the qualifications studied by its pupils in any other institutions through collaborative arrangements.

136. Schools MUST NOT record on their termly census pupils who are studying qualifications at their school but who are on the roll of other schools.

Re-sits and re-takes

137. The LSC will fund pupils who are re-taking qualifications, that is, where they are attending lessons throughout the year in preparation for re-taking a qualification.
138. The LSC will not fund pupils who are not attending lessons but merely re-sitting the exam, even if the pupil has attended revision classes. Results are to be identified within the School Census as having identical values for the learning aim start date and learning aim end date and a completion status of zero. No funding will be generated nor will the qualification be included within the success rate calculation.

Religious Education

139. The LSC funding policy aims to support students having full access to programmes of Religious Education (RE) including those related to a specific religion or denomination.

140. Some RE programmes are assumed to be funded under the per pupil entitlement funding. In order for RE programmes to be eligible for specific qualification funding, as with other qualifications, they must meet the ‘additionality’ requirements. This means that the programmes must be additional to those the school is already funded for, either through entitlement or any specific qualifications such as AS/A2-level qualifications.

141. Effectively this has meant that RE programmes will attract LSC funding on top of entitlement if they are RE qualifications accredited by the Qualifications and Curriculum Authority (QCA) and approved by the Secretary of State under Section 96.

142. As with all provision in school sixth form funding, these RE qualifications will not be funded above the cap of 1.75 SLN.

143. The LSC has decided that it will not fund National Accrediting Board of Studies (NABS) courses from 2007/08 onwards, due to courses not being accredited and therefore not approved. Schools must transfer to a qualification on Section 96 to be eligible for funding.

Section 96, 18+ and 19+ qualifications

144. There are a number of Section 96 qualifications that are not available for 16– to 18-year-olds, but can be taken by 18+ and 19+ students. These 18+ and 19+ Section 96 qualifications will not be funded in schools. No schools at present offer these qualifications.
School Sixth Form Data Assurance Arrangements

145. The Chief Executive, as the LSC’s accounting officer, is responsible to the DCSF for ensuring that departmental funds are applied to the purposes of funding learning. The National Audit Office (NAO), as the LSC’s auditors, examines and reports upon how the LSC discharges its responsibilities towards its funded providers, including school sixth forms.

146. Assurance arrangements from 2008/09 are expected to be similar in scope and intensity as in those previous years. The LSC will continue to satisfy the NAO that it is discharging its responsibility through a ‘light touch’ data assurance system involving a limited sample of schools.

Maintaining supporting records

147. By accepting funding from the LSC, schools take on an obligation to:

- maintain all records in accordance with LSC Funding Guidance 2008/09 and 2009/10;
- allow the appointed auditor or audit firm access to the school’s premises to carry out the audit, and to the data records relating to the school’s funding from the LSC;
- ensure records are retained to enable the LSC to gain assurance as described in paragraph 137 above;
- ensure the accuracy of data for the Education Maintenance Allowance (EMA) and school sixth form funding;
- have in place adequate control procedures to ensure error levels are kept to a minimum.

Findings from previous assurance visits

148. The LSC’s data assurance visits to schools last year highlighted a number of issues centred on the School Census. Box 1 summarises these issues as an aid to schools in completing this year’s forms.

149. Auditors discovered that a significant number of schools had wrongly recorded their pupil numbers, and many had errors in the number of qualifications studied. In addition, some schools had inadequate records to support their School Census data. Where auditors identify that schools have wrongly recorded pupil numbers or the number of qualifications studied, or have inadequate records to support their return, this may result in an adjustment to the allocation.

150. The head teacher should approve data returns to the LSC, particularly as any errors found could result in recovery of funding.
### Box 1: Common errors found during data assurance reviews at school

#### Pupil numbers

- Schools not retaining registers for the School Census date, or not retaining a copy of the School Census that was submitted to the DCSF.

- Schools placing reliance on verbal or written assurances by pupils that they will return to the sixth form. (Such pupils must **not** be counted on the School Census unless they are actually enrolled.)

- Including on the School Census pupils who have not attended school from the start of term. (These pupils should only be counted when the school has granted them authorised absence.)

- Including on the School Census pupils who are already on another school’s roll. (Pupils must be counted only once.)

- Duplicating the count of pupils at schools in consortium arrangements. (A pupil and their qualifications must be counted only once.)

- Including in the School Census pupils who are over 16 but are not undertaking a sixth form programme of study. (These pupils cannot be counted as being in the sixth form.)

- Non-EEA pupils must not be included in the School Census (previously the September pupil count (SPC)) where right of abode has not been confirmed.

#### Qualifications

- Schools having inadequate or inappropriate supporting documentation detailing the qualifications to be taken by each student at the School Census date.

- Schools claiming for more than five qualifications for an individual pupil.

- Schools incorrectly recording the number of qualifications or subjects, rather than the number of pupils taking qualifications.

- Schools using incorrect programme weighting factors for A2/AS subjects.

- Schools claiming for pupils re-sitting GCSE and AS/A2-levels (claims for re-takes are valid).

- Schools wrongly claiming additional funding for other qualifications when entitlement funding already covers them.

- Schools entering pupils for the General Studies qualification where the pupil is not actually going to take the exam.
Collecting data

151. Post-16 data collections occur as part of the normal School Census. For sixth forms, data is collected on individual pupil learning aims – the qualifications each pupil is studying at any point during the year.

152. Qualification-level data is required because:

- the New Measures of Success programme includes a commitment to produce success rates that enable a fairer and more accurate comparison of the effectiveness of different providers across the post-16 sector;
- schools need to be able to monitor the performance of different groups of learners;
- funding for sixth forms is calculated based on aim-level data;
- data is collected in October and May of each year.

Success rates and achievement rates

153. The agreed primary success measure within the post-16 sector is 'qualification success rate', which identifies the number of qualifications achieved as a proportion of those started. This approach is based on the number of learning aims being studied, and the results achieved. It is already in use in the other LSC funding streams.

154. In simple terms the success rate is:

\[
\text{retention} \times \text{achievement} = \text{success rate.}
\]

Success rates

155. The methodology for calculating the success rate for using in the 2009/10 allocation has been based on a retention rate for year 12 and success rate for year 13 and year 14 learners.

156. A number of learning aims were removed prior to the calculation of these elements these were:

- entitlement aims – which are not related to success rates.
- aims that are not assigned to learners in years 12 to 14.
- achievement records that are not matched to the census.
- guest or subsidiary aims.
- withdrawals in the first six weeks.
- resits.
157. For schools where there were 20 or fewer starts (aims minus transfers), the national rate was used (currently 96.06%)

158. For the success element, if there were fewer than 20 starts (aims minus transfers) the national rate of 86.05% was used.

159. Only aims with a planned end date in the 2007/08 academic year were selected. This included GCEA, GCEAS, GCSE, GNVQ/AVCE and International Baccalaureate. The following formula was then applied.

2007/08 School Sixth Form success rate= year 12 retained rate x year 13 and 14 success element.

Benefits

160. There are a number of benefits of using the qualification success rate measure.

- Improved parental and student choice as parents and students will have consistent information across providers to inform their choices for post-16 education and training.

- Improved quality and management in school sixth forms: schools will be able to analyse the performance of their students more rigorously for the benefit of learners, thereby aiding institutional self-improvement.

- Head teachers and senior staff will be able to manage the curriculum more effectively and benchmark themselves against other schools and post-16 providers.

- School improvement partners (SIPs) will have detailed 16–19 data to assess and measure a school's performance. Ofsted will be able to make consistent and rigorous judgements on the effectiveness of school sixth forms.

- Using this comparable data will enable the LSC, LAs and other interested parties to deliver more effective and efficient planning within the post-16 sector.

- Funding to follow the learner more closely: from 2008/09, for the first time the data on learners in school sixth forms and in colleges will be consistent and will give an equal basis for funding to follow learners’ individual programmes, whether they are studying at school or college. As mentioned above, this would enable individual factors such as learners’ retention and achievement to be funded more accurately and equally across the post-16 sector.
Value added and the Learner Achievement Tracker

161. Schools will also be able to use success rates alongside the Learner Achievement Tracker (LAT). The LAT, already introduced by the LSC, is a web-based application which enables schools to use value added (VA) for 16–19 learners’ reports for the purposes of reflection and improvement. It is accessible from the Provider Gateway, which can be found at https://newintranet.lsc.gov.uk/corporate/fpp/structure/FrameworkExcellenceQualityAssurance/ffestructure/providergateway/Pages/index.aspx.

162. VA shows the progress of individual learners based on their prior attainment, and compares the results with the national average. The data comes directly from awarding bodies, so there are no new data collection requirements.

Recording the data

163. For 2007/08 pupil details and learning aim information were collected in November (2007) and May (2008), through the appropriate fields being included within the school termly census.

164. In the census, schools need to record:
   - each pupil and that pupil’s details;
   - the aims studied by each pupil, including the Qualification Accreditation Number (QAN), is a unique identifier assigned to each qualification by the regulatory authority once it has been accredited;
   - the start and end dates of each aim;
   - the status of each aim.

165. It is very important that the start and end dates (both expected and actual end dates) and the status of each aim are completed accurately, as these are the key fields used in the census to calculate success rates. Inclusion of an incorrect end date, for example using the end of the academic year would result in those learning aims being excluded.

166. Schools should record all qualifications for which they expect to receive funding, including provision where funding is reduced by the maximum funding per learner as explained in paragraph 35.

167. The data collected will provide a full history for an academic year, not just snapshot data on a particular date. This will allow the pupil record to be identified at any chosen time of the year.
168. During the year, schools should indicate the status of each aim. The options available are:

- ‘transfer’ – when a student ceases studying for one qualification in order to start on a new, often related, qualification;
- ‘withdrawal’ – when a student ceases a qualification without any consequent new/replacement qualification being started;
- ‘completed’ – when the aim has been completed, irrespective of whether the aim has been achieved or not;
- ‘continuing’ – when the aim is not yet complete and study is continuing.

169. The difference between a transfer and a withdrawal is especially important for funding and performance purposes as a transfer is not taken into account when calculating qualification success and retention rates but a withdrawal is. When calculating success and retention rates, a transfer is treated as if the student were continuing to study for the original qualification. A withdrawal is treated as if the pupil has stopped studying for that qualification.

170. Schools should take care to indicate those students who have withdrawn from any qualifications within the first six weeks. These records are not considered when calculating success rates.

171. Good practice encourages schools to modify the database as pupils modify their qualifications during the year, thereby saving the school work when the data is required by the DCSF.

172. Schools should ensure that they return data by the deadlines identified by DCSF. As stated in paragraph 140, accuracy is paramount as this data will be used to calculate the allocation.

Support for schools

173. The DCSF provides extensive guidance for schools to help them complete the census. It also provides support via a helpdesk. Further details are available at: www.teachernet.gov.uk/post16data.

Changing the Infrastructure – Opening, Merging and Closing School Sixth Forms

174. The LSC has a strategic role in planning and improving 14–19 provision. Working with LAs on area inspections and their subsequent action plans and on strategic area reviews (StARs), we are reforming and widening the curriculum offer for young people.
175. The LSC has adjusted its capital and revenue arrangements for new school sixth forms to better support these developments. This revised policy will:

- more accurately reflect the partnership and collaboration arrangements being established for the 14–19 agenda;
- be in line with expected future LSC and school funding and planning developments;
- offer value for money.

176. The revised policy, in line with the demand-led funding model introduced from 2008, will be based on a planning agreement covering standard learner numbers together with the provider factor, including elements for disadvantage, success and area costs, between the school, LA and LSC local partnership team.

177. A new school sixth form is defined as any new arrangement involving:

- establishing a new school sixth form;
- sixth form satellite centres;
- closing small sixth forms and replacing them with a larger sixth form;
- forming two or more separate new sixth forms from an existing one;
- schools with increasing sixth form numbers as a result of capital development through Building Schools for the Future (BSF), Private Finance Initiative (PFI) or other schemes;
- any other significantly ‘new’ or expanded sixth form arrangement as a result of closing or merging sixth forms.

178. The LSC does not give specific start-up costs for a new sixth form. However, as the LSC’s funding year starts in August, while new staff (the main cost for schools) are appointed from September, schools effectively receive one-twelfth of their funding as start-up costs.

179. Capital developments in school sixth forms remain the responsibility of the LA, or through a BSF or PFI project. As part of the 14–19 Implementation Plan, the LSC is managing a new 16–19 capital fund open to schools and further education colleges. The priorities for this fund include:

- meeting the capital costs of new school sixth forms, including those established under the school sixth form ‘presumption’ policy;
• contributing to the capital costs of expanding sixth form provision in colleges, in line with the further education ‘presumption’ policy;

• relevant 16–19 capital projects for expansion in support of a local 14–19 plan.

Provider factor

180. Where two or more schools have merged their sixth forms, the provider factor is determined by aggregating the elements from the two schools.

181. For new school sixth forms the provider factor will be based on the regional average.

Existing sixth form ‘de-mergers’

182. Some new arrangements result in a new sixth form being created by a school that previously had a joint sixth form with another school.

183. This may result in the existing sixth form having fewer pupils and increase the likelihood of double funding of pupils by the LSC in the current year.

184. These de-merged school sixth forms will be subject to the same process as for new schools.

185. A planned discussion at the local level about the likely effect on the pupil numbers of the existing sixth form will take place well in advance to avoid these pupils being double funded.

186. Funding will then reflect this planned agreement, thereby removing any double funding of pupils between the two schools.

187. Prior to the first year of operation, the school, the 14–19 partnership and the LSC will agree planned numbers, qualifications funded and the funding to match. Standard learner numbers and the broad curriculum to be offered will be agreed so that a new school offering vocational qualifications or the International Baccalaureate will have this reflected in its funding.

188. The LSC will expect evidence for, and validation of, those estimates; for example, details of where the pupils are expected to come from and/or why the current pattern of what their pupils do post-16 is expected to change. This should result in a more realistic budget being established.

189. The school and the LSC local partnership team should establish an agreed baseline level of funding to which the school will be entitled, based on a realistic projection of potential pupils.
Process timescales

190. The LSC will need to know of any new arrangements that are likely to fall within the new definitions established, at paragraph 163.

191. This is particularly important for existing school sixth forms which are likely to have their sixth form numbers reduced. Unless these schools are involved at an early stage, they may not be able to plan properly for the resulting budget reduction.

192. School sixth forms that are closing will receive a one month allocation for August based on one-twelfth of their allocation, subject to the level of funding in the allocation not being greater than the actual number of pupils enrolled and the programmes they were studying.

Through Inclusion to Excellence – supporting post-16 learners with special educational needs

193. The direct statutory responsibilities relating to placement and funding decisions for individual post-16 learners with SEN rest with LAs and schools, working with other agencies.

194. The LSC supports these responsibilities through its funding arrangements.

195. The LSC commissioned an independent, strategic review of its planning and funding of provision for learners with learning difficulties and/or disabilities across the post-16 learning and skills sector. The report Through Inclusion to Excellence, was published in November 2005, and is available on the LSC website at: http://readingroom.lsc.gov.uk/lsc/2005/research/commissioned/through-inclusion-to-excellence.pdf.

196. In summary, the review recommended that:

The LSC should develop a national strategy for the regional/local delivery through collaboration with partners of provision for learners with learning difficulties and/or disabilities across the post-16 learning and skills sector that is high quality, learner-centred and cost-effective.

197. It recommended that the LSC should utilise its new regional structure to work in partnership to develop regional planning arrangements.

198. The review also recommended that the LSC should develop a common funding approach for learners with learning difficulties and/or disabilities across the whole of the post-16 learning and skills sector. It recommended that development should take place in line with the LSC’s development of common funding arrangements through its demand-led funding programme.
199. The LSC accepted the review’s recommendations, and is taking forward the planning recommendations through its new regional teams.

200. The LSC had originally intended to consult separately on funding SEN in winter 2005/06, as noted in, *Through Inclusion to Excellence.* Given the agreement by the LSC not to change its funding arrangements for 2006/07 and 2007/08 in order better to align with and support new school funding arrangements introduced by the then Department for Education and Skills (DfES) from April 2006, the LSC has instead decided to include its SEN funding within proposed arrangements for post-16 funding from 2008/09 under the demand-led funding revisions. Children’s Trusts/LAs, mainstream and special schools will, of course, be fully engaged in that consultation in due course.

201. The Further Education White Paper *Further Education: Raising Skills, Improving Life Chances* (DfES, March 2006) reinforces the principles for funding post-16 education and training, particularly that there should be a transparent national formula that delivers comparable funding for comparable provision.

202. In *Learning for Living and Work* (October 2006), our strategy for improving education and training opportunities for learners with learning difficulties and/or disabilities, the LSC set out its aim of developing a fit-for-purpose funding system that is learner-focused, equitable across all areas of the further education (FE) system and provides appropriate levels of support for learning. This funding system was first outlined in the LSC consultation document *Delivering World-Class Skills in a Demand-led System* (January 2007).

203. In June 2007, the Prime Minister announced a series of machinery of government and other changes, including the creation of two new departments – the Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUS) – which share responsibility for learning and skills at all ages. Bringing together all key aspects of policy affecting children and young people, including those with learning difficulties and/or disabilities, will strengthen the Government’s support for children, young people and families through any future challenges.

204. In March 2008 the Government issued its consultation document titled *Raising Expectations: enabling the system to deliver* (DIUS, DCSF, March 2008). This is a joint consultation between DCSF and DIUS on the establishment of a Young People’s Learning Agency (YPLA), the transfer of planning and funding responsibilities for 16- to 19–year-olds (and up to age 25 for those with learning difficulties, disabilities and/or special educational needs) from the LSC to local authorities. It includes proposals for reforming the post-19 skills landscape including introducing a Skills Funding Agency (SFA). A summary of the responses to the consultation has now been published and can be viewed via: [www.dcsf.gov.uk/furthereducation/uploads/documents/2008-07-30-Enabling-the-System-to-Deliver-Consultaion-Summary.pdf](http://www.dcsf.gov.uk/furthereducation/uploads/documents/2008-07-30-Enabling-the-System-to-Deliver-Consultaion-Summary.pdf).
Funding post-16 statements of SEN in 2008/09 and 2009/10

205. The LSC’s sixth form funding arrangements do not affect LAs’ statutory duties and responsibilities, under the Education Act 1996, to young people aged 16- to 19-years-old with SEN who are enrolled at school. LAs continue to receive and distribute all the relevant funding and retain responsibilities for the assessing, statementing and reviewing processes, including arranging special educational provision for pupils with statements.

206. The funding comes to the LA via the LSC rather than through the LA’s settlement under the local government finance system.

207. Each LA’s SEN allocation was calculated by the DCSF on the basis of the authority’s actual 2000–01 post-16 spending and has then been uprated for inflation each year and adjusted for changes in the number of 16- to 18-year-olds in the LA area. It covers expenditure on pupils with statements at:

- maintained schools;
- maintained special schools;
- independent special schools;
- non-maintained special schools.

208. For 2009/10, as for previous years, the DCSF has agreed that the LSC’s funding responsibility for post-16 statements would be fulfilled by passing to the LA a block sum of money which is related to the authority’s actual spend on post-16 statements of SEN in 2000–01.

209. This means that, for 2009/10, an LA has a similar level of funding for post-16 statements as it would if the funding were provided through the LA settlement alone.

Individual cases

210. As the LSC is forwarding in full the funding to the LA as determined by the DCSF, the LSC’s allocation plus the authority’s settlement means that the LA receives the same level of funding for post-16 SEN, as well as retaining its statutory responsibilities.

211. The LSC has not been given any extra SEN funding to provide additional resources. As in previous years, the LAs will continue to be responsible for meeting the cost of new in-year statements. LAs should not therefore expect additional resources from the LSC to cover individual cases.
Funding beyond a pupil’s 19th birthday

212. The SEN Code of Practice – paragraph 9.61 – refers to the LSC making it a condition of funding that the LA continues to maintain the statement for a pupil who stays on in school after compulsory school age, until the end of the academic year in which the pupil’s 19th birthday falls. The statement only continues at the request of the parent when the learner is in post-16 LA placement. It ceases to be effective when the learner moves to the FE sector.

213. This is a formal condition of grant.

LA flexibility over post-16 SEN funding

214. Post-16 SEN funding provided to the LA by the LSC has not been ring-fenced for 2008/09 and 2009/10. Any funding remaining after supporting post-16 statements should be used to support SEN generally – statemented or non-statemented, pre- or post-16. LAs must, of course, ensure that they fulfil all their duties to post-16 learners with statements.

Schools with SEN units

215. Schools with SEN units should ensure that they record all qualifications being studied by their students on the School Census in order to access all the funding to which they are entitled.

Pupils without statements of SEN

216. The level of the LSC’s funding rates for school sixth forms is designed to support schools’ responsibilities to ensure that they make appropriate provision for pupils with SEN but without a statement – those whose special needs are ‘School Action’ or ‘School Action Plus’.

217. The LSC formula also includes a disadvantage factor, which is calculated from the percentage of the school’s students on the IMD as detailed in paragraph 50. A similar calculation is used by many LAs to distribute additional needs funding to support School Action Plus students.

218. For the first time schools have been allocated additional learning support (ALS) funding using the national formula and as such are encouraged to follow the principles of the LSC standard funding guidance.

219. 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. The need for ALS may arise from a learning difficulty and/or disability, or from literacy, numeracy or language support requirements.
Special schools

220. A consequence of the LSC not having discretion over the funding for post-16 pupils with statements of SEN, or over the placement of such pupils, is that the funding of maintained special schools remains the responsibility of the LA for 2009/10. The LA’s own funding formula – usually on a place-led rather than pupil-led basis – is unaffected by the LSC’s role.

221. For the same reasons, it also remains the LA’s responsibility to pay the fees of 16- to 19-year-old pupils at non-maintained and independent special schools.

222. The LSC will wish, of course, to involve special schools in the maintained, non-maintained and independent sectors over local planning issues where appropriate.

The SEN Code of Practice

223. Under Section 13 of the Learning and Skills Act 2000, the LSC has to have regard to the needs of persons with learning difficulties, including when carrying out its funding duties under Section 5 (1), sub-sections (a) to (d), and to any assessments under Section 140 (Assessments relating to learning difficulties).

224. In addition, guidance from the DCSF advises the LSC to work closely with the Connexions service with regard to young people with learning difficulties and disabilities. The Connexions service, under the SEN Code, is responsible for overseeing the implementation of the transition plan for young people with statements.

225. Local area partnerships would be expected to assist Connexions staff, and LAs more generally, in supporting the education of young people with SEN. These arrangements are not affected by the LSC’s funding role.

Section 140

226. As part of the transition arrangements from pre- to post-16 education, the Secretary of State has a duty to arrange a S140 assessment.

1) Subsection (2) applies if:

   i) a Local Authority maintains a statement of special educational needs for a person under Section 324 of the Education Act 1996;

   ii) the Secretary of State believes that the person will leave school at the end of his last year of compulsory schooling to receive post-16 education or training (within the meaning of Part I of this Act) or higher education (within the meaning of the Education Reform Act 1988).
2) The Secretary of State must arrange for an assessment of the person to be conducted at some time during the person’s last year of compulsory schooling.

3) The Secretary of State may at any time arrange for an assessment to be conducted of a person:
   i) who is in their last year of compulsory schooling or who is over compulsory school age but has not attained the age of 25;
   ii) who appears to the Secretary of State to have a learning difficulty (within the meaning of Section 13);
   iii) who is receiving, or in the Secretary of State’s opinion is likely to receive, post-16 education or training (within the meaning of Part I of this Act) or higher education (within the meaning of the Education Reform Act 1988).

4) For the purposes of this section an assessment of a person is an assessment resulting in a written report of:
   i) their educational and training needs;
   ii) the provision required to meet them.

5) A Local Education Authority must send a copy of a statement maintained by it under Section 324 of the Education Act 1996 to the Secretary of State on his request.

**Learner Support**

227. The LSC gives financial support for particular groups of sixth form pupils.

**Education Maintenance Allowance**

228. The Education Maintenance Allowance (EMA) is a weekly payment of up to £30, paid directly to young people aged 16–19 who stay on in learning after they reach the statutory leaving age. Its aim is to broaden participation and improve the retention and attainment of young people in this age group in post-compulsory education. Eligible young people may get EMA support for up to three years.

229. Learners following the post-16 route in schools, colleges and other approved institutions may receive bonuses if they remain on their programme and achieve their learning goals. Weekly and bonus payments are also dependent upon learners meeting standards of behaviour and effort as set by the learning provider.
230. EMA is also paid to learners on LSC-funded Entry to Employment (E2E) programmes and Programme-led Apprenticeships (PLA).

231. There are two helplines to provide support to providers, young people and parents or carers:

- Learning Provider helpline: 0845 600 7979;
- Learner helpline: 0800 121 8989.

232. Further information and guidance on EMA is available at: http://ema.lsc.gov.uk.

Care to Learn

233. Care to Learn is a scheme that supports the cost of childcare to enable young parents to return to, or continue in, learning.

Eligibility criteria

234. In order to participate in the Care to Learn scheme, parents must meet the following eligibility criteria.

- The young parent must be aged under 20 on the day their learning starts.
- The young parent must use Ofsted-registered childcare.
- Any form of publicly funded learning can be undertaken, including short courses and taster courses; it does not have to be accredited learning.
- The young parent must reside in England.
- The young parent must be the main carer of the child.

Payments

235. The costs of childcare and travel to and from the childcare provider are payments available under the Care to Learn scheme.

- In 2009/10 the costs of childcare are paid up to a weekly maximum of £160 per child (£175 in London).
- Travel costs to and from the childcare provider can also be claimed within the weekly maximum.
236. Further information can be found at:

- [www.direct.gov.uk/caretolearn](http://www.direct.gov.uk/caretolearn) or by contacting the Learner Support Service (LSS);
- Learner Helpline 0800 121 8989;
- Provider Helpline 0845 600 7979;
- local Connexions advisers.


### Medically Ill Pupils

#### Eligibility

238. Post-16 medically ill pupils are defined as pupils who are at home without access to education for more than 15 working days. Those pupils who have an illness or diagnosis that indicates prolonged absence from school, whether at home or in hospital, need to have access to education, as far as possible, from day one.

239. DCSF guidance states that LAs rather than the LSC must support post-16 pupils who have had a disrupted year’s education pre-16 and as a result have not completed their compulsory education.

240. All other medically ill pupils aged 16–18 will be supported by the LSC as detailed in Box 2.

### Accessing funding for medically ill pupils

241. Schools need to complete the process outlined in Box 2 with the family and Connexions.

242. The LA will then pay for the relevant provision from its learner support fund (LSF) allocation.

243. The local LSC will look to add additional funding to an LA where the LA has exceeded its discretionary support fund budget, provided that the LSC has unallocated or surplus discretionary support funds. This may not necessarily be the case and the LSC may not be able to give additional funding in some years.
Box 2: Accessing funding for medically ill pupils

Accessing LSC basic qualification rates

A school is entitled to claim the basic qualification rate for the courses that the pupil studies. This includes funding for courses studied, entitlement funding, and any disadvantage and area costs funding the school is entitled to.

To access such funding, the school needs to enter the pupil on its School Census form as it does for other pupils.

Accessing specific support for medically ill pupils

To access specific funding to meet the needs of a medically ill pupil, the following steps must be taken.

- A learner’s plan needs to be drawn up by Connexions. This should include:
  a. medical certification and support for a specific education programme;
  b. an assessment led by Connexions involving the school, any other relevant professionals, and family in identifying the support needed for the individual to complete his or her studies;
  c. an assessment of the costs involved.

- There needs to be an annual review to ensure that provision is effective, relevant and necessary.

- The type of provision provided would depend on individual need, but could include home tuition, distance learning, specialist equipment and transport costs.

- The amount of funding an individual could receive would need to be capped, and the type and nature of the illnesses involved would have to be identified.

The LA will then pay for the relevant provision from its discretionary support fund allocation.
Exceptional individual support

244. Discretionary support funds are available in colleges or school sixth forms to help towards the costs that a learner may incur in following his or her course of study. This fund is administered by post-16 providers who set their own eligibility criteria based on national guidance.

245. All post-16 learners who find finance a barrier to learning are eligible to apply. Discretionary support funds can be used to help pay for books, equipment, some transport costs and other expenditure associated with participating in further education.

246. LAs administer this fund for school sixth forms, and priority is usually given to learners in receipt of benefits or who have a low family income. The student support section within the LA will be able to provide more information and application forms for this fund.

247. The Discretionary Funding guidance and requirements for 2009/10 can be found at: http://lsf.lsc.gov.uk/fundingguidance/.
## Annex A: Acronyms and Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>2009/10</td>
<td>Denotes LSC funding year from August 2009 to July 2010</td>
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<tr>
<td>2009-10</td>
<td>Denotes financial year from April 2009 to March 2010</td>
</tr>
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<td>Additionality</td>
<td>Additional learning that a pupil receives which is beyond the pupil’s entitlement</td>
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<td>ALS</td>
<td>Additional learning support</td>
</tr>
<tr>
<td>AWPU</td>
<td>Age weighted pupil unit</td>
</tr>
<tr>
<td>BSF</td>
<td>Building Schools for the Future</td>
</tr>
<tr>
<td>DCSF</td>
<td>Department for Children, Schools and Families</td>
</tr>
<tr>
<td>DIUS</td>
<td>Department for Innovation, Universities and Skills</td>
</tr>
<tr>
<td>DLF</td>
<td>Demand-led funding</td>
</tr>
<tr>
<td>DT</td>
<td>Distance travelled</td>
</tr>
<tr>
<td>EEA</td>
<td>European Economic Area</td>
</tr>
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<td>EMA</td>
<td>Education Maintenance Allowance</td>
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<td>FSM</td>
<td>Free school meals</td>
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<td>GCSE</td>
<td>General Certificate in Secondary Education</td>
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<tr>
<td>glh</td>
<td>Guided learning hours</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and communications technology</td>
</tr>
<tr>
<td>ILR</td>
<td>Individualised learner record</td>
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<tr>
<td>IMD</td>
<td>Index of Multiple Deprivation</td>
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<td>LA</td>
<td>Local authority</td>
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<tr>
<td>LAD</td>
<td>Learning Aim Database</td>
</tr>
<tr>
<td>LAT</td>
<td>Learner Achievement Tracker – LSC value added and distance travelled system</td>
</tr>
<tr>
<td>LSC</td>
<td>Learning and Skills Council</td>
</tr>
<tr>
<td>LSC formula</td>
<td>LSC formula calculation for a school’s sixth form</td>
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<tr>
<td>LSF</td>
<td>Learner Support Fund</td>
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<tr>
<td>MFG</td>
<td>Minimum Funding Guarantee</td>
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<tr>
<td>NABS</td>
<td>National Accrediting Board of Studies</td>
</tr>
<tr>
<td>NAO</td>
<td>National Audit Office</td>
</tr>
<tr>
<td>NEET</td>
<td>Post-16s not in education, employment or training</td>
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<td>OU</td>
<td>Open University</td>
</tr>
<tr>
<td>PFI</td>
<td>Private Finance Initiative</td>
</tr>
<tr>
<td>PLAMS 06/07</td>
<td>Post-16 Learning Aims Management System for 2006/07 – post-16 data collection in 2006/07</td>
</tr>
<tr>
<td>PSHE</td>
<td>Personal, social and health education</td>
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<td>PLASC</td>
<td>Pupil Level Annual School Census</td>
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<tr>
<td>QAN</td>
<td>Qualification accreditation number</td>
</tr>
<tr>
<td>QCA</td>
<td>Qualifications and Curriculum Authority</td>
</tr>
<tr>
<td>RE</td>
<td>Religious education</td>
</tr>
<tr>
<td>RTG</td>
<td>The Real Terms Guarantee – a guarantee given by the Government that a school’s sixth form funding will not reduce in real terms on account of the transition to LSC funding</td>
</tr>
<tr>
<td>School Census</td>
<td>DCSF collection of data from schools</td>
</tr>
<tr>
<td>Section 96</td>
<td>This is a list of approved qualifications which are eligible for LSC funding. Not all such qualifications attract LSC funding.</td>
</tr>
</tbody>
</table>
as some are regarded as being covered by entitlement funding

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>SEN</td>
<td>Special educational needs</td>
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<tr>
<td>SIPs</td>
<td>School Improvement partners</td>
</tr>
<tr>
<td>SLN</td>
<td>Standard learner number</td>
</tr>
<tr>
<td>SOA</td>
<td>Super-output area</td>
</tr>
<tr>
<td>SPC</td>
<td>September pupil count</td>
</tr>
<tr>
<td>StARs</td>
<td>Strategic area reviews</td>
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<tr>
<td>TPG</td>
<td>Teachers’ Pay Grant</td>
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<td>VA</td>
<td>Value added</td>
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<td>WBL</td>
<td>Work-based learning</td>
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<tr>
<td>YPLA</td>
<td>Young People’s Learning Agency</td>
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</table>
## Annex B: Listed Funding Values

<table>
<thead>
<tr>
<th>Qualification</th>
<th>SLN value (glh)</th>
<th>Listed evening value where applicable (glh)</th>
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<tbody>
<tr>
<td>GCE AS-level or A2-level (except General Studies)</td>
<td>150</td>
<td>90</td>
</tr>
<tr>
<td>GCE AS-level or A2-level in General Studies</td>
<td>36</td>
<td>36</td>
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<tr>
<td>Applied GCE A-level Double Award (12 units)</td>
<td>900</td>
<td>540</td>
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<tr>
<td>Applied GCE AS-level or A2-level Double Award (6 units)</td>
<td>450</td>
<td>270</td>
</tr>
<tr>
<td>Applied GCE A-level (6 units)</td>
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<td>Applied GCE AS-level or A2-level (3 units)</td>
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<td>GCSE</td>
<td>100</td>
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<td>Short-course GCSE</td>
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<td>30</td>
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<tr>
<td>Applied GCSE</td>
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<td>120</td>
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<td>Key skills qualifications (Application of Number, Communications and ICT)</td>
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<tr>
<td>NVQ (delivered entirely at the provider in at least 450 glh)</td>
<td>520</td>
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</tr>
<tr>
<td>Each additional NVQ unit</td>
<td>30 per unit</td>
<td></td>
</tr>
<tr>
<td>International Baccalaureate (Diploma)</td>
<td>1,350</td>
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<tr>
<td>Access to Higher Education (studied in at least 450 glh)</td>
<td>520</td>
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<tr>
<td>EDEXCEL National Diploma (18 units)</td>
<td>1,080</td>
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<td>EDEXCEL National Certificate (12 units)</td>
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<td>EDEXCEL National Award (6 units)</td>
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<td>Edexcel Level 1 Introductory Diploma (6 units)</td>
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<tr>
<td>Edexcel Level 2 First Diploma (6 units)</td>
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<td>OCR Level 3 National Extended Diploma (18 units)</td>
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<td>OCR Level 3 National Diploma (12 units)</td>
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<td>OCR Level 1, Level 2 and Level 3 National Certificate (6 units)</td>
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<td>Edexcel Level 1 Introductory Certificates (3 units)</td>
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<td>Edexcel Level 2 First Certificates (3 units)</td>
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### Comments

1. Entitlement for 16- to 18-year-old learners will be funded at 114 glh (0.253 SLN). This excludes key skills, which are funded separately.

2. GCE and GCSE double awards are funded at double the standard rate.
### Annex C: Area-costs Uplift by Region

<table>
<thead>
<tr>
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<tbody>
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<td>Camden</td>
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<td>Greenwich</td>
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<td>Havering</td>
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<td>Kensington and Chelsea</td>
<td>Redbridge</td>
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<td>Barnet</td>
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<td>Enfield</td>
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<td>Westminster</td>
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<td>Croydon</td>
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<td>Tower Hamlets</td>
<td>Kingston upon Thames</td>
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<td>Lewisham</td>
<td>Merton</td>
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<td>Newham</td>
<td>Richmond upon Thames</td>
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<tr>
<td>Bedfordshire and Hertfordshire non-fringe 1.03</td>
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<td>Bedfordshire County Council</td>
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<td>Berkshire, Surrey and West Sussex fringe 1.12</td>
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School Sixth Form Guidance 2009/10
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<th>Region</th>
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<td></td>
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<td>Chiltern St Albans</td>
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<td>Dacorum Three Rivers</td>
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<td>Kent and Essex fringe</td>
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<td>West Sussex non-fringe</td>
<td>1.01</td>
<td>Adur Arun</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chichester Horsham</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mid-Sussex Worthing</td>
</tr>
</tbody>
</table>
Annex D

Funding for 14 to 19 Diplomas

Replaces Annex C from Funding Rates 2008/09

1  For over-16 year-olds, funding for 14 to 19 Diplomas will flow through the LSC’s funding methodology. This annex outlines:
   • how funding is calculated;
   • how funding will flow to providers; and
   • how data will be used to inform funding and success rates.

Background

2  The LSC’s standard demand-led funding methodology is used to calculate funding for all Diplomas delivered post-16. This methodology uses the Standard Learner Number (SLN) as the measure of size for qualifications for funding purposes and the provider factor as the means by which various cost weightings will be applied. The allocations model is described in ‘The 16-18, Adult Learner- and Employer-responsive Funding Models’ and funding methodology is detailed in the LSC Funding Guidance 2008/09 available at http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/.

Summary

3  The principles that will apply to Diploma funding post-16 are:
   • 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.

How funding is calculated

4  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 that the 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.

5  Funding will be calculated for each learning aim using the LSC’s standard Demand-led funding methodology. This means that each component of the Diploma will be allocated a Standard Learner Number (SLN). This is based on guided learning hours (glh) and represents the size of the learning aim and therefore the amount of funding available for that aim. In addition to the SLN for individual learning aims, an additional 0.133 SLN (60glh) is added for embedded Personal Learning and Thinking Skills. To contribute to the additional costs of collaboration and work experience, an additional allowance of 0.067 SLN at Foundation Level; 0.089 SLN at Higher Level 0.120 SLN at Advanced Level is added when the learner registers for the whole Diploma. Table 1 gives a breakdown the SLN values, which have now been confirmed, for each component and Diploma level.
6 Funding for learners taking the whole Diploma will therefore be based on the total SLN of all the aims the learner is taking. Full details are detailed in the tables below.

7 The total SLN will then be multiplied by the standard national funding rate per SLN and the home provider’s provider factor. This is a factor which takes into account the provider’s mix of programmes, level of disadvantage, success rates and area costs. Application of the ‘provider factor’ will result in bespoke rates for each provider based on its individual provider characteristics. Full details of the provider factor can be found in the Technical Annex to ‘The LSC Funding Guidance: Funding Formula: April 2008’.

8 Example 1 below demonstrates how the SLN would be calculated for a school sixth form delivering a level 3 advanced Diploma.
### Example 1 School Sixth Form Delivering the Advanced Diploma

<table>
<thead>
<tr>
<th></th>
<th>SLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Learning</td>
<td>1.200</td>
</tr>
<tr>
<td>Functional Skills (already achieved)</td>
<td>0</td>
</tr>
<tr>
<td>Project</td>
<td>0.267</td>
</tr>
<tr>
<td>Additional/Specialist Learning</td>
<td>0.800</td>
</tr>
<tr>
<td>Personal Learning and Thinking Skills (PLTS)</td>
<td>0.133</td>
</tr>
<tr>
<td>Costs of collaboration</td>
<td>0.120</td>
</tr>
<tr>
<td><strong>Total SLN</strong></td>
<td>2.520</td>
</tr>
</tbody>
</table>

The national formula is then applied:

\[
\text{SLN} \times \text{National Rate for Schools per SLN} \times \text{Provider Factor}
\]

(Average for School Sixth Forms has been used)

This would result in funding of:

\[
2.52 \text{ SLN} \times £3,007 \times 1.0227 = £7,750 \text{ over 2 years}
\]

or £3,875 (1.26 SLN) per year

9. Funding for Functional Skills would be outside the Diploma funding if they have not already been achieved.

10. There are a number of important factors of which to be aware when considering how this funding works.

   a. The LSC will not fund more than 1.75 SLNs per learner in any one year.

   b. The PLTS costs and the costs of collaboration will be linked to the Diploma. Therefore learners completing individual learning aims without registering for the Diploma will not qualify for these payments.

   c. Funding for the entitlement curriculum 0.25 SLN (114 glh per year) will apply to Diploma students, and it will contribute to the calculation of the funding cap which is set at 1.75 SLN. There is likely to be some overlap between Diploma and entitlement funding, for example in the area of PLTS. Any savings made in time or resource could possibly contribute further to collaboration and work experience.

   d. The programme weighting for Diplomas will be taken into account within the home provider’s provider factor. The Diploma weightings used are based on the learner-responsive model’s six programme weightings.

   e. Given the significance of success rates in the funding calculation, consortia will need to consider whether all the funding should be paid on the learning process, or if some should be attached to completion.
How funding will flow to providers

11 Allocations for Diplomas will be made in SLN terms. In many cases these SLNs will replace the SLNs that would have been allocated for predecessor programmes. Where the Diplomas will extend the size of programmes for existing learners, the provider will need to discuss this with its local partnership team so that any change to SLNs can be agreed. The planning assumption is that learners should be allocated an additional 0.1 SLN for participating in the Diploma, and this applies at all three levels. Where Diploma provision will result in increased learner numbers (i.e., where Diplomas will be taken by learners who would not otherwise be participating) then an increase in learner numbers and therefore SLNs will again need to be discussed with the local partnership team.

12 These discussions will result in an agreed allocation of SLNs which, when multiplied by the rate per SLN for the type of provider and home provider factor, will produce the allocated budget.

13 Allocations will only be made to the learner’s home provider. This is the provider where the learner is registered for the whole of their post-16 programme. The provider must be a member of a formally approved Diploma consortium that has successfully completed the gateway process. Learners from outside the consortium may not access the Diploma at this stage. Learners will only be funded if they are registered for the Diploma by their home provider.

14 Where learners are taking any part of their Diploma with another provider within the Diploma consortium, the home provider is required to fund this learning from its Diploma allocation. The learning may be whole learning aims, e.g. principal learning, or specific elements of a learning aim, e.g. the applied aspects of principal learning. It is important to note that the actual funding received by the home provider will be based on its provider factor, so the amount will be individual to that provider.

15 The exact purchasing arrangements for off-site delivery are made at local discretion, and will need to be agreed at consortium and 14 to 19 partnership level. However the following guidelines are offered as a starting point.

- The published LSC rates should always be the starting point.
- Each Diploma component learning aim has an allocated SLN value which should be used when purchasing the whole component learning aim.
- When purchasing elements of an individual learning aim then this should be based on the proportion of the overall SLN to be delivered by the Diploma consortium partner.
- Other factors to be considered locally may include:
  - which provider’s premises are to be used;
  - proportion of learning that is workshop-, laboratory- or classroom-based;
  - whether quid pro quo arrangements would save additional costs and bureaucracy;
  - the programme weighting of the learning aim to be purchased; and
  - the impact of success rates on funding, and if any funding should be withheld until the qualifications are achieved.

16 As described above, the funding for Diplomas includes an uplift of approximately 5% to contribute towards the costs of collaboration and work experience; these funds are attached to the Diploma learning aim and paid to
the home provider. As in pre-16 funding, it is strongly recommended that these funds are pooled to cover the additional costs of collaboration such as joint timetabling, work experience, employer engagement and health and safety. This reflects successful practice established through the evaluation of 14 to 19 pathfinders and schools organisation pilots.

17 The baseline calculation for purchasing components of the Diploma should start with the LSC-published SLN values and programme weightings. This baseline calculation is demonstrated in example 2 below. Consortia will then need to agree local rates for delivery to reflect local circumstances.

18 Schools and colleges will have bespoke rates because of their different provider factors and the different national rates. Therefore using a purely formulaic approach may not always lead to a fair allocation between consortia members, i.e. where programme weighting for the off-site delivery is higher than that recognised in the school's provider factor. Consortia will therefore need to agree their local approach and allow for the circumstances listed above. The example below suggests one method of reflecting performance in calculations; consortia are of course free to develop other methods of so doing.
Example 2: Advanced Diploma funding where a consortium member delivers the principal learning

<table>
<thead>
<tr>
<th>Description</th>
<th>SLN</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Diploma in Society, Health and Development (SHD) using Schools Funding Rate (from example 1)</td>
<td>2.52</td>
<td>£7,750</td>
</tr>
<tr>
<td>Principal learning purchased at college rates, with allowance for 80% success rate</td>
<td>1.2</td>
<td>£3,532¹</td>
</tr>
<tr>
<td>10% Success Element paid on successful completion</td>
<td>n/a</td>
<td>£392</td>
</tr>
<tr>
<td>Contribution to collaboration and work experience</td>
<td>0.12</td>
<td>£360²</td>
</tr>
<tr>
<td>Remaining funding for home school</td>
<td>1.2</td>
<td>£3,466³</td>
</tr>
</tbody>
</table>

¹ 1.2 SLN x rate per SLN x programme weighting of 1.12 – 10% for success rate of 80%
   = 1.2 x £2,920 x 1.12 x 0.9 = £3,532. This assumes an expected 80% success rate.
² = 0.12 SLN x rate per SLN x programme weighting of 1
   = 0.12 x £3,007 x 1 = £360
³ This may be lower than the value of the Principal Learning because of the relative Programme Weightings

Data, funding and success rates

19 Home providers are required to record on the school census or ILR the learning aim reference of the Diploma that the learner is following. These can be found on the LAD.

20 This information will be used for three purposes.
   - It will inform the Diploma success rate of the home school or college. The learner will need to successfully complete the full Diploma to be counted as a success within the success rate methodology.
   - It will record the learner as qualifying for the SLN values attributed to the PLTS and the collaborative costs for that Diploma.
   - It will be used for evaluation.

21 In addition each individual learning aim will need to be registered by learning aim reference on the school census or ILR. This will ensure that each learner is funded only for the learning for which they register. For example, a learner may have already completed the additional and specialist learning and therefore not need to complete this component. In this case this learning aim is simply not recorded and no funding will be paid for that aim.

22 This will become increasingly the case as learners progress from one level of Diploma to another, and when Functional Skills are achieved by virtue of completing a GCSE programme of study from 2010/11 onwards.

23 It will also be the case that qualifications that make up the additional and specialist learning component will vary in size and it would not be appropriate to fund a learner doing the smallest allowable qualification the same as a learner who is doing a much larger one, perhaps with a high programme weighting.
24 Learner-aim level data will also be used in evaluation but will not inform success rates as these are based on achieving the full Diploma.

25 The Diploma level success rates and the aggregate programme weighting will inform the provider factor for the following years and therefore funding will increase where success rates improve or high cost learning takes place.

Further information

26 Advice on curriculum and specification issues is available from QCA on its dedicated Diplomas pages at http://www.qca.org.uk/qca_5396.aspx.

27 Further supplementary guidance on additional funding for the higher Diploma for over-16 year-olds will be issued in April.

28 Further queries should be addressed to the relevant LSC partnership teams.

29 The initial report into the evaluation of the Funding and Organisation pilots, including examples of transport arrangements and use of DSG is available in the funding section of the DCSF 14 to 19 website: www.dcsf.gov.uk/14-19/.

SLN values for diplomas

16-18 and adult learner-responsive models

30 The following tables give example SLN values for the component parts of each of the new Diplomas to be introduced in 2009/10. The Diplomas will be funded at component level; however, the Personal Learning and Thinking Skills and the costs of collaboration are not accredited learning, and will be funded via the Diploma learning aim code at programme weighting A (1.0).

31 In each example below, the minimum glh for the Additional and Specialist Learning is given as the SLN value (Tables B1 to B4). The actual funding for this element will depend upon the programme of study and the elements studied.
Table B1: Level 3 advanced diploma

<table>
<thead>
<tr>
<th>Diploma component</th>
<th>SLN value (glh)</th>
<th>SLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Learning</td>
<td>540</td>
<td>1.200</td>
</tr>
<tr>
<td>Extended Project</td>
<td>120</td>
<td>0.267</td>
</tr>
<tr>
<td>Additional and Specialist Learning</td>
<td>360</td>
<td>0.800</td>
</tr>
<tr>
<td>Personal Learning and Thinking Skills</td>
<td>60</td>
<td>0.133</td>
</tr>
<tr>
<td>Costs of collaboration</td>
<td>54</td>
<td>0.120</td>
</tr>
<tr>
<td>Total</td>
<td>1134</td>
<td>2.520</td>
</tr>
</tbody>
</table>

Table B2: Level 3 progression diploma

<table>
<thead>
<tr>
<th>Diploma component</th>
<th>SLN value (glh)</th>
<th>SLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Learning</td>
<td>540</td>
<td>1.200</td>
</tr>
<tr>
<td>Extended Project</td>
<td>120</td>
<td>0.267</td>
</tr>
<tr>
<td>Personal Learning and Thinking Skills</td>
<td>60</td>
<td>0.133</td>
</tr>
<tr>
<td>Costs of collaboration</td>
<td>36</td>
<td>0.080</td>
</tr>
<tr>
<td>Total</td>
<td>756</td>
<td>1.680</td>
</tr>
</tbody>
</table>
Table B3: Level 2 higher diploma

<table>
<thead>
<tr>
<th>Diploma component</th>
<th>SLN value (glh)</th>
<th>SLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Learning</td>
<td>420</td>
<td>0.933</td>
</tr>
<tr>
<td>Project</td>
<td>60</td>
<td>0.133</td>
</tr>
<tr>
<td>Functional Skills - English</td>
<td>36</td>
<td>0.080</td>
</tr>
<tr>
<td>Functional Skills - Mathematics</td>
<td>36</td>
<td>0.080</td>
</tr>
<tr>
<td>Additional and Specialist Learning</td>
<td>180</td>
<td>0.400</td>
</tr>
<tr>
<td>Personal Learning and Thinking Skills</td>
<td>60</td>
<td>0.133</td>
</tr>
<tr>
<td>Costs of collaboration/work experience</td>
<td>40</td>
<td>0.089*</td>
</tr>
<tr>
<td>Total</td>
<td>832</td>
<td>1.849</td>
</tr>
</tbody>
</table>

NB: This example assumes the learner has already attained Functional Skills in ICT. The total shown is affected by the rounding in the individual entries.

* Where the Level 2 Higher Diploma is delivered post-16 in one year, the costs of collaboration/work experience is funded outside the funding formula at a rate of £274 (in 2009/10 only).
Table B4: Level 1 foundation diploma

<table>
<thead>
<tr>
<th>Diploma component</th>
<th>SLN value (glh)</th>
<th>SLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Learning</td>
<td>240</td>
<td>0.533</td>
</tr>
<tr>
<td>Project</td>
<td>60</td>
<td>0.133</td>
</tr>
<tr>
<td>Functional Skills - English</td>
<td>36</td>
<td>0.080</td>
</tr>
<tr>
<td>Functional Skills - ICT</td>
<td>36</td>
<td>0.080</td>
</tr>
<tr>
<td>Functional Skills - Mathematics</td>
<td>36</td>
<td>0.080</td>
</tr>
<tr>
<td>Additional and Specialist Learning</td>
<td>120</td>
<td>0.267</td>
</tr>
<tr>
<td>Personal Learning and Thinking Skills (PLTS)</td>
<td>60</td>
<td>0.133</td>
</tr>
<tr>
<td>Costs of collaboration</td>
<td>30</td>
<td>0.067</td>
</tr>
<tr>
<td>Total</td>
<td>618</td>
<td>1.373</td>
</tr>
</tbody>
</table>

Programme weightings for the new diplomas

32 The programme weightings for the new Diplomas will be applied to the principal learning aims (Table B5). All other learning aims will be funded at their prevailing programme weighting. Projects will be funded at a programme weighting of A – 1.0 as they are not subject-specific.
<table>
<thead>
<tr>
<th>Diploma line</th>
<th>Programme weighting (Level 1)</th>
<th>Programme weighting (Levels 2 and 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business, administration and finance</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Construction and the built environment</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Creative and media</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Engineering</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Environmental and land-based studies</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Hair and beauty studies</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Hospitality</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Information technology</td>
<td>1.12</td>
<td>1.3</td>
</tr>
<tr>
<td>Manufacturing and product design</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Society, health and development</td>
<td>1.12</td>
<td>1.12</td>
</tr>
</tbody>
</table>