Investigation into Funding Additional Learning Support in the Employer Responsive Model
Final Report

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Maria Hughes acted as the project’s critical friend and we are grateful to her for her expert advice.
Executive summary

Introduction

1 This report describes the methods, findings and conclusions of an investigation of the arrangements for funding Additional Learning Support (ALS) in the Employer Responsive Model (ERM). It focuses on Additional Learning Needs (ALN) and Additional Social Needs (ASN) in apprenticeships and advanced apprenticeships and ALN in Train to Gain (T2G).

2 The study was undertaken by the Learning and Skills Network (LSN) for the Learning and Skills Council (LSC) between August and October 2008. It was based on an examination of LSC documentation, an analysis of Individualised Learner Record (ILR) data for 2006/07 and 100 telephone interviews with a broadly representative cross section of providers. Emerging conclusions were tested at an expert seminar with practitioner representatives.

ILR analysis

3 The ILR shows that around 10% of apprentices receive ALN funding whereas the proportion receiving ASN funding is less than 1%. Another way of putting this is that 95% of those who receive ALS have learning needs and 11% have social needs (5% having both).

4 Those receiving ALS are slightly more likely than average to be White British (89% as against 87% of all apprentices). They are much more likely to be female (60% of ALS, but 40% of apprentices).

5 Learners on apprenticeships disclose a disability or learning difficulty at about the same rate as full time students in FE (12% or learners), although the type and level of disability or learning difficulty is different. Only a quarter of those on apprenticeship programmes disclosing a disability receive ALS compared with just over a half in full time FE.

6 In the FE sector disabled learners who receive ALS achieve their learning goals at the same rate (or better) than the sector average. This is not true in the work based sector where learners receiving ALS are less likely to achieve.

7 Apprentices receiving ALS are concentrated in particular sectors. In retail 29% get ALS though retail only amounts to 18% of apprentices; in health and care the respective figures are 19% and 14%. There is additionally a concentration
of ASN funding recipients in Business Administration (20% of the total).

**Survey Findings**

8 The providers surveyed were roughly twice as likely to report trainees receiving ALS as the average though the balance between ALN and ASN was similar. Around a third of providers surveyed, though only one of the FE colleges, made no claims on ALS.

9 Providers overwhelmingly reported using ALN funding to support learners with literacy and numeracy needs and, almost as frequently, dyslexia. Few providers mentioned providing support for physical or sensory impairments or significant levels of learning difficulty. Where providers had learners with ASN the examples covered a very wide range of personal and social issues. No providers made a connection between ASN and disadvantage funding.

10 Providers supported learners with ALN through initial (and sometimes more detailed subsequent) diagnostic assessment, followed by extra support either in one to one or group sessions. Colleges, local authorities and some charities were more likely to draw on specialist resources within their organisations. Private providers were more likely to provide additional time for training staff.

11 The major cost involved in providing extra support was staff time. Usually providers provided more intensive support rather than extending the time taken to complete the course. Estimates varied according to provider, learner need and the way in which support was provided but as a broad generalisation an extra visit or four to five hours extra support per month was provided for learners with ALN. The low incidence and variety of ASN make it difficult to provide corresponding figures.

12 The estimates of time are congruent with estimates of cost. The average of costs reported by those providers able to offer a figure was around £180 per month for apprentices, £190 per month for advanced apprentices and £200 for Train to Gain. (If anything, the cost of supporting older apprentices was higher rather than lower). Since the average cost of training staff, making full allowance for overheads, was reported at around £40 per hour these sums would allow for four or five hours plus travel costs and equipment.

13 Providers reported that ALS was heavily audited and money was clawed back by LSC. This conflicted with the way they budgeted. They generally put ALS
funding into a single ‘pot’ or into the general budget and spent the resource flexibly to meet need.

14 Around two thirds of providers in the sample were unsure of the arrangements for Exceptional Learning Support (ELS), even fewer had accessed it and LSC holds no centralised records of ELS. Since the sample was skewed towards providers with more experience of ALS than average this probably understates the lack of knowledge and take up of ELS arrangements in the sector.

15 When asked directly whether ALS funding was adequate about half of providers said ‘Yes’, although many of them qualified the response in some way. When further questioned about whether they had learners they felt unable to support, or whether they had turned learners away a more complex picture emerges. It seems that most providers felt that existing funding was adequate for those learners they customarily recruited. They were however conscious that there were others who were redirected elsewhere during the recruitment process, who did not apply, or who they could not have helped had they presented themselves.

16 When asked about the types of learners who could not be supported providers referred to two groups. Almost equal numbers referred to those with emotional and behavioural difficulties (EBD)\(^1\) often associated with personal and social problems; and to those with more complex learning difficulties or disabilities such as Asperger\(^2\) syndrome, attention deficit and hyperactivity disorder (ADHD)\(^3\), or sensory or physical impairments.

17 Some providers, those that tended to recruit more learners with additional needs, were explicit that current levels of funding were insufficient. They

\(^1\) EBD (Emotional and Behavioural Difficulties) describes a broad spectrum of behaviour from deviant to disturbed, from straightforward naughtiness through to quite complex psychiatric disorders, and from nuisance value to challenging in the extreme.

\(^2\) Asperger Syndrome is a form of autism that affects how a person makes sense of the world, processes information and relates to other people.

\(^3\) ADHD (Attention Deficit Hyperactivity Disorder) refers to a range of problem behaviours associated with poor attention span.
quoted the high cost of specialist diagnosis or specialist staff. There were others however who were clear that funding was not the only issue preventing them extending the range of people with whom they worked. The pressure to hit success targets, a lack of expertise to support these learners and the difficulty of providing employer placements were also quoted.

Conclusions

18 The main conclusion from this study is that the expectations and aspirations of many providers seem to be framed by the nature of current ALS arrangements. Providers work within the funding level provided by giving modest levels of extra support to learners with modest needs. Those who have more severe or challenging needs are assumed to be dealt with elsewhere.

19 Providers see the arrangements for ALN as largely limited to literacy, numeracy or dyslexia. The current arrangements seem to give confidence to providers that they can help those with modest basic skills deficits. However, they do not enable, encourage or challenge them to extend the range of young people entering apprenticeship programmes and this is reflected in the equality profile of apprentices.

20 Many providers seemed content to accept that there were a large number of potential learners that they could not support. Sometimes such learners are directed towards other providers but more frequently they do not present themselves. Several providers simply stated that employers would not accept disabled learners and did not appear to feel that such stereotyping ought not to pass unchallenged.

21 For these reasons the fact that many providers stated that the current arrangements and rates were satisfactory should not be taken as an indication that there is no need for change. The ILR analysis clearly shows that learners with many types of disability are under-represented on apprenticeship programmes, they are less likely to be supported than in FE and are less likely than other learners to achieve their goals.

22 The types of support that many providers felt unable to provide were not the most extreme cases of profound and complex disability; rather in many cases they were sensory or physical impairments of the sort routinely dealt with in FE and some schools. However, simply increasing ALN rates would not be sufficient to address this issue as many providers referred to their lack of expertise and their concern to hit achievement targets. These factors caused
them to recruit only those they felt able to support. On the other hand it could not be addressed without extra resources.

23 There was also a view expressed by some providers that Work Based Learning (WBL) was, of necessity, less inclusive than other sectors. While accepting that providers have to work with and through employers, the current funding arrangements do not serve to encourage providers to challenge employer stereotyping or support those who wish to do so.

24 Although LSC sees ASN funding as providing a resource additional to that supplied formulaically by the disadvantage factor, there is no sign that providers make this connection. There is a danger that the restricted eligibility for ASN funding, with its arduous evidence and audit arrangements, is leading some providers to feel that there is no funding at all to support many categories of young people. It may be useful to review the operation of the disadvantage factor.

25 There is widespread uncertainty about the nature and availability of ELS funding, which must severely limit its impact in supporting those wishing to move to a more inclusive work based learning sector. This effect is compounded by the view that there is a significant gap between the level of support that can be funded from ALS and ELS.

26 In practice ALS was heavily audited and money was clawed back for the months where there was no evidence that support was provided. This was not the intention and conflicts with the way most providers budget, pooling resources and using them flexibly to support learners as and when they need it.

27 Since providers limit their expenditure and activities broadly to match the funding received it is not possible to calculate a precise figure to inform the funding rate based on costing evidence. It does however appear that the current rates are not sufficient to help most learners with additional needs to achieve at the same rate as others. The level of extra support given by ALS in this sector does not appear to be sufficient to compensate for the additional needs of many learners. Success rates of those receiving ALS remain lower than for their peers suggesting that more needs to be done.
28 A very broad estimate of provider expenditure suggests that the rates could underestimate current average levels of expenditure by as much as 25% (£190 as against £147). This is consistent with evidence that providers supplement the rates with cross subsidy from FE, charitable sources, local authority budgets, European Social Fund (ESF) and project work.

29 The study found no evidence that older apprentices require less support than younger learners and no grounds for the current difference in rates for these groups. The cost evidence suggests that on balance they tend to be more rather than less expensive to support.

30 The study suggests that it would be useful to distinguish arrangements for supporting learners with high cost and low cost support needs. The threshold might usefully be set at around £200 per month.

**Recommendations**

31 On the basis of the study it is recommended that LSC review its approach to the provision of ALS in the Employer Responsive Model and review the operation of the disadvantage uplift since its purpose overlaps with ASN funding. As well as reviewing the funding mechanism LSC needs to make clear to providers that the purpose of funding is to enable the sector to move towards more inclusive provision which will involve, on occasion, challenging provider and employer views as to what is possible.

32 It is recommended that LSC adopts an approach that considers higher cost ALN/ASN funding differently from lower cost (the majority) of ALN/ASN funding. This is consistent with LSC funding in the rest of the sector. In relation to higher cost of ALN funding the LSC is recommended to move towards independent individual assessments, ultimately linked to individual budgets that would enable learner choice unconstrained by financial considerations. In the short term the LSC needs to be much more pro-active in advising providers about the existence of ELS and the possibilities for its use.

33 In relation to higher cost of ASN funding the LSC needs to determine how this might be funded. As participation increases in WBL there will be a need to support young people who were formerly Not in Education Employment or Training (NEET) and have a range of personal and social problems. Some of this support will best be met through financial support, but there will still be difficulties with learning originating in personal and social circumstances that
need to be tackled.

34 In relation to lower cost of ALN funding there is a need to simplify arrangements for allocating funding, remove them from an audit regime that acts as a deterrent to providers and to extend the range of support needs that providers believe they can and should meet. A transparent formulaic approach based on level of study or prior attainment would meet the need and have the further benefit of consistency with developments across the LSC as a whole. This would need to be accompanied by clear guidance and training for all parties; providers, LSC staff and auditors.

35 It is recommended that the funding rates for ALN and ASN are increased to reflect both the levels of expenditure currently being incurred by providers and the need to encourage them to extend the range of needs with which they can cope. Any increase in rates also needs to be accompanied by a programme of capacity building to help develop providers’ skills and confidence.

36 In relation to lower cost ASN funding it is recommended that learning needs are covered by the same formula and the same monitoring arrangements as for ALN. The current arrangements are widely regarded as cumbersome and restrictive, and support provided should focus on the need and the nature of support required, not the causes of the need. In due course it would make sense to review the operation of the disadvantage uplift which overlaps with ASN funding.
Introduction

Background

37 The Learning and Skills Act 2000 laid on the Learning and Skills Council (LSC) a duty to meet the needs of young people with learning difficulties and/or disabilities. In Work Based Learning (WBL) provision three categories of Additional Learning Support (ALS) are currently funded by the LSC: Additional Learning Needs (ALN), that is, support for needs related to a learner’s intrinsic ability; Additional Social Needs (ASN), that is, support for needs related to emotional, behavioural and motivational difficulties; and ALN and ASN together, where a learner has needs in regard to both. ALN generally applies to learners below Level 1 Literacy or Numeracy who need significant help with learning because of, for instance, dyslexia or aural or visual difficulties. ASN may apply to a range of circumstances requiring support, such as erratic attendance, self-esteem issues, drug or alcohol abuse or problems associated with being a single parent. Work-based learners may receive ALN or ASN support while pursuing Apprenticeship or Advanced Apprenticeship. Train to Gain learners may receive ALN for support related to physical and sensory impairments and dyslexia. They are not expected to access ASN, and can be funded separately for literacy or numeracy.

38 Consequent upon the Further Education White Paper Raising Skills, Improving Life Chances (2006), the Leitch Review (2006) and the Delivering World-class Skills in a Demand-led System consultation (2007), demand-led funding, based on three new funding models, comes into operation in 2008/09. The Employer Responsive Model, whose characteristics are described in the LSC guidance document The 16-18 Adult Learner and Employer-responsive Funding Models (2007), will bring together the Apprenticeship, Train to Gain and WBL National Vocational Qualifications funding streams; and the methodology currently used for Apprenticeships will be used across the whole of the Employer Responsive Model.

39 Additional Learning Support (ALS) for WBL learners is currently (2008/09) paid according to standard national monthly rates: £147.32 for learners aged 16 to 18 with either ALN or ASN and £220.47 for those with both; and £127.89 for learners aged 19 and over with either ALN or ASN and £192.95 for those with both. How far these rates reflect actual expenditures, how ALS impacts on participation and achievement and what providers’ views are of how ALS for WBL should be funded are the three essential themes of this report.
Aims

40 LSN was asked by the LSC to undertake research to inform a review of arrangements for ALS in the Employer Responsive Model. The first phase of this project aimed to investigate the cost base for delivering ALS for learners funded through Apprenticeships and Train to Gain and to advise on national standard rates for ALS within the Employer Responsive Model. Phase 2 of the project explored whether the methodology for ALS is correct and considered how it might be refined.

Methodology

41 The study was based on an examination of LSC documentation, an analysis of ILR data and one to one telephone interviews conducted with 100 providers during September and October 2008. They were selected on a range of criteria including: provider type, location, region and size. (The full profile of providers can be found in Appendix A). The outcomes were presented to an expert seminar to consider the findings and shape the final conclusions and recommendations. (Full details of the methodology are included in Appendix B).

Data analysis from ILR – the cohort of learners with ALN/ASN

42 An analysis of ILR data for 2006/07 (see Appendix C) was carried out to provide the statistical background in regard to WBL learners for whom ALN/ASN funding was claimed. The analysis concentrated on the demographics of these learners and provided a break-down by type of learning difficulty/disability, type of programme and occupational sector. Though the ILR contained no information directly about costing, an appreciation of the scale and incidence of funding provided essential background to a study of cost structures and provider rationales.

Findings

ILR analysis

43 Full details of the ILR analysis are given in Appendix C. The main findings are outlined below. They show that although the numbers of learners with a disability or learning difficulty are substantially the same as in full time FE the outcomes achieved are different.
48 The ILR shows that around 10% of apprentices receive ALN funding whereas the proportion receiving ASN funding is less than 1%. Another way of putting this is that 95% of those who receive ALS have learning needs and 11% have social needs (5% have both).

49 Those receiving ALS are slightly more likely than average to be White British (89% as against 87% of all apprentices). They are much more likely to be female (60% of ALS but 40% of apprentices). It is not clear why this pattern is found.

50 Learners on apprenticeships disclose a disability or learning difficulty at about the same rate as full time students in FE (12% or learners). Only a quarter of those on apprenticeship programmes who disclose a disability receive ALS, compared with just over a half in full time FE. This may be because the range of disabilities in the FE sector is broader than in WBL with a higher proportion disclosing mobility or physical disabilities.

51 Apprentices receiving ALS are concentrated in particular sectors. In retail 29% get ALS though retail only amounts to 18% of apprentices; in health and care the respective figures are 19% and 14%. There is additionally a concentration of ASN funding recipients in Business Administration (20% of the total). This seems to be linked to the entry requirements imposed by different frameworks.

52 In the FE sector disabled learners who receive ALS achieve their learning goals at the same rate (or better) than the sector average. This is not true in the work based sector where learners receiving ALS are less likely to achieve their planned outcomes.

Interview data analysis

53 The findings from the interviews are presented below. Analysis has been complicated by different approaches taken by providers to particular questions. To overcome this, where questions relate, for example to the perceived adequacy of ALS funding, they have been cross referenced. Some interviewees had difficulty in answering questions related to cost because of the way they manage their accounts or budgets, others provided estimates. Where cost data has been collected in different forms, for example hourly rates or costs per annum, assumptions have been made to enable comparison which may have introduced elements of inaccuracy. There may have been other variables of which we were unaware. Consequently all numeric data should be treated with a degree of caution. Throughout the report most
comments relate to ALN funding, or are based on the experience of ALN in apprenticeships only. Where there is reference to ASN funding or Train to Gain, it is specifically noted.

**Current numbers of learners on programmes**

**Apprenticeships**

54 The 100 providers analysed had a total of 23,793 learners on apprenticeships, an average of 238 learners per provider. The range was considerable, from five to 2,000. Therefore in this respect the sample reflects the varied nature of the WBL sector. Of the 23,793 learners, 3,111 had ALN (13% of learners), 546 had ASN (2.2%) – excluding one provider who recorded 250 ASN learners - and 198 had both ALN and ASN (0.8%). This indicates that ALN was the predominant form of support provided, or claimed. A quarter of providers in the sample claimed no ALN or ASN. There were considerable differences between provider type and the incidence of ALN/ASN. FE colleges had the greatest total number of learners for whom additional support was claimed and all but one college provider claimed for ALN/ASN funding. Independent training providers had the next highest overall numbers, two-thirds claiming ALN/ASN.

**Advanced Apprenticeships**

55 There were considerably fewer learners on Advanced Apprenticeships - 10,193, an average of 102 per provider, with a range of 7 to 625. The number and proportion of learners with ALN/ASN was also lower, with 540 with ALN (5.3%), 144 with ASN (1.4%) and 39 (0.4%) receiving both. There was a similar pattern of provider type to Apprenticeships although college and independent training providers had roughly the same total numbers, but only 20 out of 43 ITPs claimed as opposed to 9 out of 12 colleges in the sample.

**Train to Gain**

56 There were far fewer learners with ALN in Train to Gain. Fifty of the 100 providers analysed had Train to Gain provision. These providers had 8,431 Train to Gain learners in total, with a range of between ten and 1,200 each. Of these learners 599 (7.1%) had ALN. Only 17 providers reported having any Train to Gain learners with ALN. Four providers reported having a total of 39 learners with ASN and two reported having a total of 22 learners with both ALN and ASN. 25% of FE colleges, 10% of ITPs and one charity claimed ALN for learners on Train to Gain.
Numbers of learners with ALN/ASN by occupational sector and age

57 Few of the organisations surveyed operate in only one occupational sector. A typical provider in the sample may have Apprenticeship, Advanced Apprenticeship and/or Train to Gain programmes in Motor Vehicle, Animal Care, Business Administration, Hairdressing, Customer Care, Retail and other occupations. Because of this the overall numbers are insufficient to provide a reliable profile of learners by age range in relation to any occupational sector. Independent training providers and charitable organisations proved more likely to supply information on occupational sectors linked to age ranges than FE colleges. The ILR data will therefore be used to identify the number of learners with ALN/ASN by occupational sector and age.

58 An overall analysis of learners in the sample with ALN and/or ASN, drawn from providers who gave data of age ranges, showed that Advanced Apprentices are more likely to be in the 19+ age range, while Train to Gain trainees are overwhelmingly in the 19+ age range. Apprentices are generally in the 16-18 age range (see Figure 1 and Figure 2 below). Of learners following Apprenticeships, 81% were aged 16 to 18 and 19% were aged 19 or over. Of those following Advanced Apprenticeships, the proportions were 41% and 59%; and for Train to Gain, 5% and 95%.

Figure 1: Breakdown of learners by provider type

<table>
<thead>
<tr>
<th></th>
<th>Total of Learners</th>
<th>16-18</th>
<th>per cent</th>
<th>19+</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeships</td>
<td>3600</td>
<td>2901</td>
<td>81%</td>
<td>699</td>
<td>19%</td>
</tr>
<tr>
<td>Advanced Apprenticeships</td>
<td>701</td>
<td>290</td>
<td>41%</td>
<td>411</td>
<td>59%</td>
</tr>
<tr>
<td>Train to Gain</td>
<td>640</td>
<td>30</td>
<td>5%</td>
<td>610</td>
<td>95%</td>
</tr>
</tbody>
</table>

Based on observations from 44 providers for Apprenticeships; 32 providers for Advanced Apprenticeships; and 8 providers for Train to Gain
The most common reasons given for needing ALN funding and ASN funding

59 The most commonly reported reasons for needing ALN funding were to provide support for literacy and numeracy and for dyslexia. Support for other learning needs associated with disabilities or learning difficulties was extremely rare. ‘We don’t have any severe difficulties or sensory problems’.

60 In contrast, the reasons for support for ASN were wide ranging and cover the spectrum of personal and social issues, although funding was not often claimed. Sometimes needs were identified but not met and sometimes needs were identified and met but without claiming additional funding. The most frequently mentioned issues are: substance abuse, homelessness and housing, family problems, teenage parents and behavioural issues.

61 Providers stated that they were more likely to claim for ALN or ALN + ASN funding than ASN largely because of the difficulty in providing evidence for ASN and meeting audit requirements. ALN claims are felt to be relatively straightforward to evidence, based on literacy and numeracy test scores.
Types of support provided for learners receiving ALN/ASN funding

ALN on Apprenticeships and Advanced Apprenticeships

62 The induction process for Apprenticeships usually involves initial assessment including screening for literacy and numeracy, followed where necessary by diagnostic assessment, to inform the Individual Learning Plan. This might be followed, where required, by specialist assessment - for dyslexia, for example. A learning plan would be developed and delivered using a variety of methods, a progress would be monitored and reviewed more regularly than for others.

63 Nearly three quarters of providers interviewed (72%) gave literacy and/or numeracy support to learners with ALN. A significant minority of respondents (13%) pointed out that numeracy is now more of a problem than literacy. On Apprenticeships support was either delivered ‘off the job’ through group or individual session or ‘on the job’ through one to one support. Basic skills specialists typically offered group sessions. In the words of one provider, key skills were sometimes ‘front-end loaded to offer support ‘from day one’ and to get learners off to a good start.’ Providers were often aware that learners might be sensitive about previous failure and their lack of maths and English skills and so providers tried to avoid them feeling singled out or apparently being treated differently. Support might be offered through workshops, drop in sessions, learning packs, online learning and twilight or community based sessions. Those with ALN would not then be singled out or overtly treated differently. Support tutors sometimes worked alongside vocational staff to embed key skills so that for learners, ‘numeracy is just another part of joinery’.

64 When enquiring about the ways used for delivering support, respondents said they provided more frequent visits and extra time and support during visits by trainers. Extra sessions off the job, often by specialists were also typically mentioned. There was a wide range from cases where all the support was offered on the job to others that ‘came in’ up to two days per week for training. While extra one to one sessions were commonly mentioned, also on offer were group sessions, workshops, drop-in facilities and on-line support.

65 Interviewees were asked how frequently they provided a range of forms of support to learners with ALN and their responses are shown in Figure 3 below.
<table>
<thead>
<tr>
<th></th>
<th>Number of responses</th>
<th>Average scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>extra time to complete</td>
<td>89</td>
<td>3.98</td>
</tr>
<tr>
<td>extra visits from an assessor</td>
<td>86</td>
<td>3.76</td>
</tr>
<tr>
<td>extra support from specialist staff</td>
<td>85</td>
<td>3.36</td>
</tr>
<tr>
<td>specialist assessments</td>
<td>80</td>
<td>3.08</td>
</tr>
<tr>
<td>extra support from bought in specialists</td>
<td>78</td>
<td>2.86</td>
</tr>
<tr>
<td>additional equipment/materials/adaptations</td>
<td>78</td>
<td>2.71</td>
</tr>
</tbody>
</table>

Scores: 5=all cases, 4=most cases, 3=some cases, 2=a few cases, 1=never

66 The form of support differed by type of providers. Colleges, LAs and charitable providers who had other support services and programmes ‘in house’ offered more specialist and ‘off the job’ support. Private providers generally tended to give more one to one support ‘on the job’, by non-specialists.

67 Some providers extended the completion date of the programme for learners with additional needs, although the majority said they provided more intensive support within roughly the same timescale to ensure that learners did not lose motivation. This finding conflicts slightly with the ILR data which suggested that learners who received ALS were more frequently recorded as ‘study continuing’ than others.

68 Dyslexia was the support need most frequently mentioned (by 67% of providers). The support process for dyslexic learners, whose dyslexia might or might not have been previously recognised, followed a similar pattern. Specialists were more likely to be called in to carry out diagnostic activity and to design, and in some cases to deliver support. This support tended to last throughout the programme and often involved extra support and time to complete portfolios. Assistive technology was quite widely used: laptops, dictaphones, photographic evidence and specialist software both to provide evidence and to give access to learning. Particular arrangements were often necessary for examinations and assessments. Some providers indicated that there was a high prevalence of dyslexia in their trainees – up to 10% in some
cases - although the extent and impact (and cost) of supporting this specific learning difficulty varied considerably.

69 There was little mention of support for learners with physical or sensory impairments, learning difficulties and mental health difficulties. Providers generally tended to ‘screen out’ and refer these learners elsewhere because they considered that they were not able to support people with significant requirements. One specialist provider in the sample exclusively recruited learners with learning difficulties and disabilities, and was geared up, in terms of staffing, learning schemes and equipment, to welcome and support those with whom other providers might not necessarily wish to engage.

**Train to Gain and ALN**

70 Train to Gain providers stated that they tended not to assess basic skills systematically but have referred learners to Skills for Life courses if a need was identified, although there was some suggestion that this practice was changing. Some providers indicated that they have to ‘sell’ assessment and support to employers and that some employees who are competent in the workplace have no desire to address their literacy and numeracy skills needs. Some providers appeared to be confused about whether ALN was available on Train to Gain, indicating that a consistent approach and clearer guidance might be required.

**ASN on Apprenticeships and Advanced Apprenticeships**

71 Support for ASN is only funded on Apprenticeships and Advanced Apprentices, not Train to Gain. It was much less frequently claimed than ALN and was much more diverse in terms of both reason for support and type of support offered. As one provider put it: ‘We don’t get into ASN much – it’s a very small part of our work’. ASN often manifested itself as a lack of confidence or self esteem, a poor academic record and sometimes challenging behaviour. Providers indicated that learners’ ASN were often not evident at the outset, only being revealed when the learner was settled and confident enough to disclose their personal issues. This made identification and evidencing of ASN problematic and providers were critical of the ‘list of criteria’ approach.

72 Generally support involved spending much more time talking to and helping young people with a host of personal, financial and social issues: writing letters, referring to and liaising with specialists and providing mediation. Much of this support was provided but ASN funding was not claimed – the difficulty of providing evidence and audit requirements being cited as the reasons for
not claiming. Here are two typical responses given by providers: ‘We don’t claim for ASN because it is hard to evidence – we would claim if auditing requirements were less difficult.’ ‘We have high numbers but don’t claim because of the rules. We tend to call in other agencies but their contribution is unfunded.’ Although not specifically asked, providers did not make a connection between the resources delivered through ASN and the larger volume of resource made available through the disadvantage factor.

73 The variety of support offered by providers included: wake up calls or visits and chaperoning the trainee to get to the workplace; mediation with employers to get ‘concessions’; mediation with family members; arranging access to other support services for housing, homelessness and drug and alcohol misuse, mental health issues and counselling, psychotherapy and anger management; finding crèche facilities and negotiating childcare arrangements with employers, such as arrangements to feed own child in the workplace; tracking down learners who are at risk of dropping out; financial support with benefits, grants and travel. Often learners were referred to other agencies and in some cases providers ‘bought in’ specialist support such as educational psychology or psychotherapy, although they did not always pay the specialist for the services they provided. In these cases, the support was funded from elsewhere. The types of support provided to learners with ASN can be seen in Figure 4 below.

Figure 4: Types of support provided to learners with ASN on Apprentices and Advanced Apprentices

<table>
<thead>
<tr>
<th>Support Type</th>
<th>Number of responses</th>
<th>Average scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>extra time to complete</td>
<td>33</td>
<td>3.85</td>
</tr>
<tr>
<td>extra visits from an assessor</td>
<td>32</td>
<td>3.78</td>
</tr>
<tr>
<td>extra support from specialist staff</td>
<td>33</td>
<td>2.97</td>
</tr>
<tr>
<td>specialist assessments</td>
<td>32</td>
<td>2.94</td>
</tr>
<tr>
<td>extra support from bought in specialists</td>
<td>32</td>
<td>2.56</td>
</tr>
<tr>
<td>additional equipment/materials/adaptations</td>
<td>33</td>
<td>1.94</td>
</tr>
</tbody>
</table>

Scores: 5=all cases, 4=most cases, 3=some cases, 2=a few cases, 1=never
74 Typically ASN could be sporadic, unpredictable and hard to evidence. Those with higher support needs went to other specialist providers.

**Examples providers gave of learners receiving ALN, ASN and ALN and ASN**

75 Providers were asked to give examples of learners in receipt of support for ALN, ASN and receiving support for both ALN and ASN. The examples provided indicated a number of broadly similar patterns of support and some typical or interesting examples have been collected. Generally all providers carried out initial assessment processes; some front-end loaded the programme, especially with basic skills provision, and then took the learner off support once they had achieved the necessary level. Others spread support evenly throughout the programme. Where support was for dyslexia there was a front –end loaded assessment process; then support tended to continue throughout the programme.

**ALN**

Here are some typical examples providers gave for learners receiving ALN.

76 ‘A is a male Apprentice, aged 17, on an engineering programme. He has literacy difficulties. Extra teaching support is provided to help him to comprehend and use correctly terms used in engineering. This help is evenly spread throughout the year and amounts to one hour a week or four hours a month. He also attends a literacy course in the evenings. His numeracy skills are ‘average’ and do not give cause for concern with regard to his apprenticeship, as do his literacy skills.’

77 ‘T is on a Train to Gain retail programme. He is 20 years old and has learning difficulties associated with his poor literacy skills. He is taking the retail NVQ. He has had a dyslexia assessment (front end loaded) and receives additional tutorial help (evenly spread) to help with his literacy, and in particular how to use words and phrases necessary to the retail trade. This amounts to 5 hours a month of additional support in a small group, costing some £200 a month.’

78 ‘F is doing a hairdressing apprenticeship. She is 18 years old and profoundly deaf; and also has literacy and numeracy difficulties. She can lip read and is provided with a signer for 12 hours a month to help with communication. Tutors make additional visits to her place of employment.’
**ASN**

Here are some typical examples providers gave for learners receiving ASN.

79 ‘J, who is 22, is doing an Advanced Apprenticeship programme in Accounting. She has behavioural difficulties due to her alcoholism and has found it difficult to settle domestically, having moved from one rather squalid address to another. When sober she has considerable potential as an accountant, but when driven by thirst embarks on a path that can only prove ruinous to her career and to her learning. ‘Jane’ receives extra tutorial help, and, as a large organisation, we are able to provide her with the help of an excess alcohol counsellor; and, through a referral, she has help with her housing problems.’

**ALN and ASN**

80 Providers gave examples of where ALN and ASN were inter-related. ‘S is 17 and is doing an Apprenticeship in Hospitality and Catering. He has literacy difficulties and behavioural difficulties which manifest themselves in a volcanic temper that at some unwonted time will erupt out of an otherwise placid and friendly character. He is receiving group tuition for his literacy difficulties and anger management counselling for his behavioural difficulty. Obviously he cannot have a successful career in Hospitality and Catering unless he can overcome the tendency to scream obscenities at guests and rampage through the hotel kitchens leaving a trail of destruction in his wake. We ensure that we pay extra visits to his employer to monitor and help with his problems and he has regular specialist assessments. It should be stressed that for most of the time he is affable and able and were it not for his anger problem would be very popular with customers and colleagues.’
Ways providers budget for ALN/ASN

81 Providers budgeted in different ways and some did not budget at all for ALN/ASN funding. Of 83 responses that could be categorised, the distribution was as per Figure 5 below:

Figure 5: Ways providers budget for ALS

82 In three quarters of cases providers put all their resources into a single general pot or did not budget at all for ALS. Half of respondents put all resources in to a single general budget for ALS, which did not distinguish between funding for frameworks and for support. ‘We don’t budget for ALN/ASN, we work within contract value.’ Several pointed out that the amount for ALS is too small to justify a separate budget. Just over a quarter kept a separate budget for ALS into which all additional support funding was put and used for learners as required. One provider said: ‘We put it all into an account for ALN learners. Of course this means that some learners receive support worth more or less than the prescribed amount, but we operate on the basis of supporting all learners fairly and as best we can, given the money available to us.’ ‘The money coming in for learning support is pooled’. Some providers recorded how it was spent on individuals. ‘We put the money we claim into a general account and spend as required within reasonable limits. We keep records of what spent additionally on ALN/ASN.’ Just four providers, (5% of those who responded) ‘ring fenced’ the allocation and spent it only on the individual for whom it was claimed. ‘We claim for each individual case and don’t spread it across.’ In one case this was for exceptional learning support. In providers such as colleges, LAs and some charities, all or part of the support funding might be handed
over to the learning support team or other in-house specialists who were effectively ‘sub-contracted’ to deliver support. In a number of cases these specialists provided support without receiving any funding or any form of ‘in kind’ payment for their services.

83 There were some examples of considerable levels of subsidy from other funding sources. One provider’s staff salary costs were met by the local authority, ALS funds were used for support in college employer responsive funded provision and some providers sought grants or charitable donations. ‘Normally we get free voluntary and community support – we work with charity groups.’

**Average monthly costs of supporting learners with ALN/ASN**

84 In our interview sample just over a third of providers (39%) were able to give some quantifiable data in answer to the question ‘what are the average monthly costs of supporting learners?’ They cautioned that there is so much variance between learners that it would be hard to calculate a meaningful average. They also provided information in different ways that were not directly comparable and it was not always possible to be sure of all the variables. This makes analysis difficult and findings given here must be treated with extreme caution.

85 Where data were provided the range appears to be from £40 - £600 a month with few discernible patterns except that ALS plus ASN is higher than ALN or ASN. Also the averages are above current LSC rates. The degree to which providers may be confused was indicated by the fact that a few providers said that they received ASN funding for Train to Gain, which is not provided. From the available data, the research indicated the mean monthly expenditures (the number of providers is given in brackets) set out in Figure 6 below.

**Figure 6: Mean monthly expenditure of supporting learners with ALN/ASN**

<table>
<thead>
<tr>
<th></th>
<th>Apprenticeships</th>
<th>Advanced Apprenticeships</th>
<th>Train to gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALN</td>
<td>£180 (39 providers)</td>
<td>£192 (26 providers)</td>
<td>£201 (12 providers)</td>
</tr>
<tr>
<td>ASN</td>
<td>£174 (22 providers)</td>
<td>£181 (15 providers)</td>
<td>£210 (4 providers)</td>
</tr>
<tr>
<td>ALN + ASN</td>
<td>£225 (11 providers)</td>
<td>£252 (5 providers)</td>
<td>£300 (1 providers)</td>
</tr>
</tbody>
</table>

Note – these costs are averages per provider, taking no account of the number of learners – some have only 1, others 100+. If a sum per annum was given, it was divided by the number of learners and by 12 months, unless otherwise indicated. It
reports what providers said and may indicate confusion in some cases. For example, although LSC did not intend that Train to Gain should access ASN, providers indicated that this is what they spent.

**Breakdown and/or description of these monthly costs**

86 Providers were asked if they could provide a rough breakdown of the costs of ALS and 85% responded. Some providers indicated that they were unclear what could legitimately be included as additional costs and what auditors would accept. Those who responded indicated that internal staff costs, including travel and training, accounted for the majority of expenditure, with the remainder used for specialist staff, specialist assessments, equipment, material, resources and travel costs.

Slightly more than a half of respondents indicated that the majority (on average 80%) of monthly costs are internal staff costs. The responses given ranged from 75-90% of their additional costs. In addition to internal staff costs, a third of responding providers mentioned specialist staff. Here are some examples of what providers said:

‘80% of costs are internal staff, 10% outside specialists and 10% on specialist assessments.’

‘The vast majority of costs are additional staff costs. The second most expensive thing is specialists that we buy in. These are often educational psychologists and other specialists.’

‘£3,833 per month for two members of staff.’

‘We don’t bring in specialists except signers – we got extra from LSC for that – but we haven’t had them for a long time.’

In contrast, a provider said that the money is used mainly for bought in specialists, although this was very much a minority approach. Another provider indicated that their resources were given to the college, ‘The majority goes to the college for their specialist resources.’

87 Internal staff wages for tutors/assessors varied around the £20 per hour (exclusive) rate. Once organisation costs and on costs were added they ranged from £20 - £40, which is consistent with earlier research by Lester and
Fletcher (2006)\textsuperscript{4}, although qualified teachers who were NVQ assessors were paid at a higher rate of around £45 per hour which is closer to FE costs. Providers indicated that travel could be a significant factor in the cost of a visit which ranged from £50 to £150. Providers who covered a wide geographical area indicated that the cost of travel could account for up to half of their additional resources. One provider stated ‘A visit costs £100 to £150 including travel – typically we get £1200 per learner so this would soon be exhausted.’ ‘We normally go in for two hours and there are travel costs and preparation time. The staff cost with overhead is £35 to £40 per hour.’ One provider had different hourly rates for Level 2 and Level 3, with Level 3 being nearly 10\% more expensive. ‘An assessor visit costs £28 per hour for Level 2 and £33 per hour for Level 3.’

The number of additional visits varied, although most providers seemed to indicate that learners with ALN received at least twice as many visits as others. Most were visited at least monthly and a number had weekly visits - or even twice weekly at times. Some providers made the observation that trainees with ALN needed roughly twice the amount of time from assessors as others. Given that the average caseload of an assessor is between 25 and 35 trainees this would imply an extra 6-8 days per year which is consistent with four to five hours extra per month quoted by others. One provider stated that ‘ALN receive twice as many visits at £50 per visit.’ Other providers indicated that learners with ALN receive: ‘two hours one to one support for six months,’ and ‘per apprentice, one hour a week additional literacy and numeracy.’ Some of the case study examples indicated a higher level of support. For example, one provider stated that ‘12 hours a month extra help.’

Providers also mentioned other forms of support offered through evening as well as day sessions and ‘in-class’ support, for groups and individuals. One provider stated that ‘ALN is delivered mostly though support tutors working alongside vocational tutors, team teaching, in college. Learners come in a day and a half each week and get half a day support. We see learner all the time and provide extra support when they are in college’. Another provider suggested that this could amount to two and a half to three and a half hours per week. Specialist staff included tutors for literacy and numeracy, dyslexia specialists, educational psychologists, learning support staff, learning support workers and sign language interpreters. The costs of specialist staff were considerably higher and close to FE rates with specialist tutors at around £50 per hour. The range was wide: from £24 per hour plus travel (for a sign

\textsuperscript{4} Overview of understanding costs project Fletcher, M. Lester, S. (September 2006) LSC
language interpreter) to £500 per day. The reported costs of support provided for learners with severe dyslexia were £4,000 - £4,500, including screening, diagnostic assessment, tutor support, equipment and software licences.

90 The cost of screening and assessment ranged from £100 (with in-house staff) to £500 with the majority costing between £350 and £500. Although not all dyslexic learners will require significant support, the costs for these learners were well above the ALN funding rate, yet in practice providers rarely accessed exceptional support, which applies above a threshold of £3,000 over the full length of the programme.

91 The cost of equipment featured in nearly a quarter of responses, accounting for 10-20% of costs. Some providers had made a significant investment in IT equipment, software, licences and adaptive technology. The highest sum recorded was indicated by one provider as ‘£52k on equipment’. Several of these providers indicated that since LSC did not fund equipment they raised grants for it: ‘Last year we spent £10k upgrading IT equipment not funded through LSC.’ This upgrade included purchasing ten computers to be loaned to learners with ALN. Software licences were for screening and diagnostic assessment as well as resources for support. Two providers specifically mentioned specialist software for dyslexia and another for a visually impaired learner, although such references were very infrequent, suggesting that this is the exception rather than the rule.

92 Training for staff to enable them to improve their ability to provide support was also mentioned in about 5% of responses. One provider stressed the importance of staff development, and stated that they spent, ‘a great deal on staff training, equipping our own staff.’ Support with examinations and assessments was also mentioned about as frequently, although providers tended to describe rather than quantify the additional costs.

Providers’ understanding of Exceptional Learning Support

93 Generally providers indicated considerable confusion about the term Exceptional Learning Support (ELS). Two thirds of providers who answered this question indicated that they were unsure what exceptional learning support was. There was a slight difference in provider response according to provider type with independent training providers proportionately more unsure than college, LA and charitable providers. Of those providers who said they did know what ELS was, many had only a vague general understanding: ‘Someone who is pretty severe.’
94 One provider reported difficulties with the process for claiming ELS in defining ELS as ‘ALS that is hard to get and requires hosts of form filling.’ Others indicated that they were unsure whether they could claim ELS, and, if so, what the process was: ‘I’ve tried to get this for some learners, but the LSC doesn’t seem to understand what this is, so we’ve had to go through different funding streams.’

**Numbers of learners in receipt of Exceptional Learning Support and reasons for claiming**

95 Overall the survey demonstrates that securing ELS funding is truly exceptional. The survey revealed only seven cases of ELS having been claimed successfully and one of these was only after the parents threatened to go to court. The support needs for which it was claimed were physical impairments, hearing impairment and a mix of complex requirements. Some providers stated that they would never recruit individuals with this level of need.

96 Providers commented on the gap in funding between ELS and ALN/ASN funding and indicated that they therefore used other funding streams. One college provider suggested that the need for ELS is unpredictable and has an impact on their budget and ability to budget: ‘For us this is very variable, sometimes we have just a few and sometimes we have several who need this higher level of support. For us this does two things: it eats into our budget, the funding for these students needs to be higher than what other students need. It is difficult for us to budget for this.’

**Ways in which providers consider ALN/ASN funding helps learners to achieve their goals**

97 This question was answered in several different ways. Around a third of those answering (24 out of 72 responses) referred to how they used the resource, with almost all saying that they gave extra one to one support to learners; a similar number referred to the outcomes that ALS produced, with almost equal numbers mentioning general benefits such as ‘confidence’ and more specific benefits such as achieving key skills/basic skills. A third group referred to much more general outcomes such as ‘success’ or ‘helping learners to complete their programme’.

98 Those providers who reported that they were not able to support all learners identified three categories that were not supported. Fifteen per cent of the whole sample (15 providers) referred to specific learning difficulties or...
disabilities that were said to be too complex or beyond their expertise: ADHD, Aspergers syndrome and EBD were given as examples. About 10% identified that they had problems finding placements for learners with disabilities and hence were unable to provide support: it is not clear whether this is in fact a criticism of ALN/ASN funding or a symptom of a larger issue of inequality in the workforce and attitudes to discrimination. Four providers specifically identified themselves as lacking expertise in dealing with the social problems that relate to ASN. Again this is not a criticism of the funding arrangements per se. However, additional funding may not be used most effectively if providers are unaware of the range of needs that could be supported and where to source the required resources and expertise.

Support needs of some learners/potential learners which providers considered unable to meet

99 Providers were asked if there were some learners or potential learners who had support needs that they were unable to meet. The most frequent answer was ‘No’. About half of the providers stated that they were able to give learners all the support they needed. Twenty-four providers said that they were not able to give support because they lacked expertise and slightly fewer (19) said it was because they lacked funding. Several providers mentioned both. Five providers stressed the point that it was a lack of expertise and not funding that was the problem.

100 In accordance with this finding, in response to another question, about a half of providers indicated that they were unable to support all learners. A number of reasons were given and often these were complex and interrelated. The main reasons given were: lack of funding (25 responses) and in 18 cases a lack of specialist skills. One provider stated: ‘We lack funding to support learners who have dyslexia etc (i.e. mild learning difficulties). There is not sufficient requirement from the LSC to invest in staff and it is hard to bring in staff.’ However, another provider indicated that the issue was not clear cut. ‘It’s not really about funding or lack of specialist skills. We just don’t have the structures set up because, for example, we don’t get many applicants for learners with severe sight problems. So we aren’t able to support them. It’s all interlinked but I wouldn’t say it’s mainly about funding.’ While funding is an issue, it is not the only reason why providers are unable to give support.

101 Seven independent providers and two charity respondents indicated that there was a lack of interest in support and/or that it was unprofitable. Twelve independent providers and one college commented that learners do not come forward for support or do not want it, ‘Learners tend not to come forward with
Outcomes for learners who providers have not been able to support

102 Providers were asked about what they thought happened to learners whom they were not able to support. Once learners are on programmes, 38 providers indicated that learners struggle or drop out if they are unable to give support. Providers have tended to refer people they cannot support elsewhere, either prior to recruitment or once the level or nature of support needed became clear, although the extent to which they followed up the referral was unclear. ‘Presumably they go elsewhere.’ A college and a charity provider suggested that they would liaise with the employer and the employer would take over the cost of some of the support. The consequence of being unable to support learners and the referral process could be stark and could be contributing to the population who are NEET. One provider stated: ‘We refer them to more suitable organisations. I’m sure that many learners drop though the net. They become NEET.’

Providers’ views on non-recruitment of some learners they were unable to support

103 To establish the scale of the issue, the survey collected data on learners being turned away. Of those responding to this question in ways that could be categorised, nearly twice as many providers had turned learners away as had not. Twenty-six providers indicated that they had not turned learners away, 32 had turned some away and 18 had turned ‘quite a few’ away. There was a difference in respect of provider type, with private providers much more likely to turn learners away than other providers (9 had not and 19 had turned some away and 11 quite a few). Charities were least likely (8 had not, 5 had turned away some and 4 quite a few). Providers indicated that while they might not have turned certain learners away, some may have been prevented from applying in the first place. The number for whom this was the case would be hard to quantify.

104 The most frequent given reason for turning learners away was that the Apprenticeship on offer was not suitable. Difficulties with employers were cited in other cases: ‘We can’t force employers to take on learners e.g. with physical impairments.’; ‘If they have really severe difficulties it is unlikely that we would offer them a place.’ However, this does not meet with current equalities legislation which requires LSC and other public sector bodies to promote equality of opportunity for groups who have experienced discrimination.
Providers' views on the adequacy of current funding arrangements

105 Providers were asked whether they thought current funding arrangements were adequate. Sixty per cent (51) of those providers that answered the question in a way that could be categorised said that they thought that current arrangements were adequate. Forty per cent (34) said that they thought they were not. Those answering favourably tended to make general comments such as ‘the arrangements work pretty well for us’; ‘the system works reasonably well’; ‘ALN help seems to be sufficient’; ‘I think it’s good as it is’. The reasons cited for the inadequacy of funding were that it did not cover their costs, was insufficient for anyone with more significant needs, was not flexible enough and the monthly profiling did not match costs in intensive or front-end loaded support. ‘They don’t give enough flexibility’; ‘funding on a case by case basis according to needs would help’; ‘the funding doesn’t take into account the starting point of learners’. In a number of cases providers stated that the associated bureaucracy meant that they did not claim ALN/ASN funding even though they felt their learners warranted it. Many providers suggested that it was never enough and they could do more with more resources. Some suggested that they could improve their success rates with more funding: ‘We did draw down more funding from LSC which allowed us to increase support for learners and as a result of this we had 90% success rate as opposed to 55 – 60%’. Some providers said that they made a loss on provision. One provider, described as ‘outstanding’ in inspection, stated, ‘ALN doesn’t cover the full costs. It covers routine support but not screening, etc. We need about another £1,000 – front-end loaded for screening and diagnostic assessment and also for providing resources.’ Providers indicated that the amounts were insufficient for those with significant support requirements: ‘25% of learners need support but often we don’t have adequate funding.’ Another provider stated: ‘It just is not possible to give the high level of support required for quite serious basic skills problems using the sums allowed: in fact, we subsidise our ALN/ASN spending using income from other sides of our activities - a very unsatisfactory state of affairs.’

Adequacy of ALS funding for all the activities providers considered important to support learners

106 There was considerable variation in responses between the providers when asked if ALN/ASN funding was adequate for the activities they considered to be important. Exactly half of those interviewed indicated that funding was adequate, 13% said yes without qualification and nearly three quarters of those who thought it was adequate (36% of total) offered some form of
qualification. Just under a half (46%) said that it was not adequate. The responses were:

- 14 said ‘yes’ without qualification
- 36 indicated that it was adequate with some reservations, typically ‘It’s adequate if they only need basic/key skills but not for anything more significant, e.g. dyslexia or any other impairment’ or ‘Just about sufficient – we could always do with more to give further support,’ and ‘for us it is sufficient but I don’t think that it would be if we had learners with severe needs.’
- 3 gave mixed responses saying that it was adequate for apprenticeships but not for advanced apprenticeships, and adequate for ALN but not for ASN; and 1 was uncommitted.
- 46 said no, some indicating that it doesn’t cover costs and they have to seek funds elsewhere.

To address shortfalls providers mentioned cross subsidy. In some cases this was from the funding for other apprentices who completed quickly or needed little support; and in other cases it came from elsewhere in the organisation or from other funding sources. The extent of any underfunding is hard to ascertain as many providers are adept at securing funding from other sources. Frequently mentioned were FE college ALS funding, LA funding, ESF, other project funding, sometimes provided by LSC, and charitable grants and donations. Despite this, most providers worked within their budgets from LSC and other sources and used a ‘swings and roundabouts approach’ from a central pot to meet needs.

The researchers probed specifically about the question of fixed monthly ALS payments. On the whole, providers stated that they were satisfied with it, although those who offered intensive or front-end load support said that overall they received less funding. ‘The problem with ALN is that we are only paid while they are on the programme. If we provide lots of support and they finish early we don’t get the ALN funding for the rest of the programme.’

Some providers seemed to focus on the technicalities of the payment mechanism rather than the adequacy of the amount: ‘we would prefer to have the money up front’ or ‘the system of profiling and payment seems to work fairly well’. To check whether the split reflected views about the level of funding rather than just the payment method the results were checked against the question ‘Is the funding you receive for learners with ALN/ASN adequate for you to do all activities that you think are important?’ The numbers answering yes and no to this question (50 and 32 respectively) were almost the same as for the question on whether providers considered current funding
arrangements adequate.

110 As a further check, the providers were asked ‘Do some learners/potential learners need support that you are unable to give?’ The most frequent answer, by a considerable margin, was ‘No’. In all, 48 providers, or 52 per cent of those responding, stated that they were able to give all the support needed. Of those that said they were not able to give support, just under a half (20) said it was because they lacked expertise and slightly fewer (18) said it was because they lacked funding. Several providers mentioned both. Some providers indicated that the lack of expertise was derived from a lack of funding. On the other hand providers’ responses to the question ‘If there are types or amounts of support that you are unable to give, what prevents you?’ suggested a rather different picture with most providers identifying that there were learners they were unable to support. The most likely interpretation of these differing answers is that providers in general found the funding adequate for those they recruited but recognised there were others who they had not recruited (or who had not applied) who they would be unable to support.

111 There was little difference between provider types in respect of their satisfaction with current arrangements or levels of support. FE colleges were fairly evenly split between those reporting positive and negative views. Private training providers were rather more inclined to be positive but several were strongly critical. One provider stated that the arrangements were satisfactory for those who had few learners with ALN but not for organisations like theirs that had many; another stated the precise opposite.

112 Of those who were critical of current arrangements (in response to Q17) the most frequent complaint was about bureaucracy, a point made directly by about 10% of the sample in response to this question. This possibly understates concerns since some providers reported that they did not use the mechanisms because of the bureaucratic burden and declined to offer comment on the efficacy of funding they did not access. Providers were more critical of the arrangements in respect of ASN than of those in respect of ALN – a fact reflected in the much lower incidence of the former in the sample: ‘We don’t have many because it’s hard to evidence and claim; a very onerous process. If evidence isn’t clear, audit takes away resource. It’s easier to just do it and not claim. Our biggest concern is with the audit trail which needs to be so robust. Support must be clearly shown in form - even if spending can be accounted for, it is not sufficient evidence.’ Providing auditable evidence when dealing with highly sensitive personal and social issues is neither easy nor desirable.
113 Although providers in general seem to be satisfied with current ALN/ASN funding arrangements, there is a need for qualification. Sometimes providers were explicit in stating that funding was adequate for those learners with whom they dealt. As one response put it ‘there may be others out there who could benefit…..but do not pursue the matter’. Another stated ‘It’s OK for the learners we take on’ although those who had greater numbers with ALN/ASN or learners needing higher levels of support were less satisfied. A few providers stated that with higher levels of funding they could do more; as one said ‘if we had more funding we could build up our specialist skills’ but even this provider felt that for many learners with specialist needs the best answer was to go elsewhere. In general providers were not asking for more money so that they could support a wider range of learners. They tended to have a limited view of what they wanted and were able to offer, and were not strongly influenced one way or another by ALN/ASN finance.

The Expert Group

114 An Expert Group, comprising representatives of LSC, the project team and the providers, considered the findings resulting from the interviews and deliberated on the extent to which ALS funding helps the learners to whom it is applied and how the funding system might be improved.

115 In regard to the extent to which ALS funding helps the learners, the Group’s considerations were:

- ALS funding does help learners to some extent, but mostly only those with modest needs.

- Providers provide support to learners to an extent regardless of available funding provisions, the main example being additional literacy and numeracy support. The fact that providers were not claiming ALS money did not necessarily mean that additional support was not being provided.

- Concern was expressed about justifying the amount of money spent for auditing purposes.

- The provider representatives were not aware that travel costs were covered by ALS funding.

- There were issues around what seemed to be a focus on bureaucratic processes as opposed to the quality of the support work itself. Funding
was generally monitored by contract managers, whose concerns focus more on processes and paperwork than quality.

- A more practical approach to funding was needed to help achieve better practice: a clear direction on what will happen after 2010 and how it will work was needed.

- Concerns were expressed about how to maintain appropriate specialist knowledge within employers and providers: it was essential that HR staff and training officers, for instance, had the necessary training and knowledge to meet the needs of the learners.

- The raising of the participation age and the expansion of apprenticeships would bring far more young people into work-based learning and many would need additional support.

116 With regard to possible improvements, the considerations of the Group were:

- There is a need for transparent differentiation between learners with higher levels of need and those with moderate levels as it is the perception of providers that a certain level of support is missing.

- There is a need to encourage the marginal provider.

- There should be more partnership work – local authorities, employers, providers – to draw in sufficient levels of funding.

- A better understanding of learners’ needs was required.

- The funding should be attached to the learners as opposed to the support provided: individual budgets for learners would result in more learners being recruited by providers and would raise learners’ awareness of how much is actually spent in supporting their needs.

- A holistic approach was required in identifying and assisting learners with ASN.

- There was a role for the careers service in providing objective assessment in regard to employability.

- There might possibly be group funding for organisations with groups of learners with particular ALS needs.
Conclusions

117 The main conclusion from this study is that the expectations and aspirations of many providers seem to be framed by the nature of current ALS funding arrangements. Providers work within the funding level provided by giving modest levels of extra support to learners with modest needs. Those who have more severe or challenging needs are assumed to be dealt with elsewhere.

118 Providers see the arrangements for ALN as largely limited to literacy, numeracy or dyslexia. While the current arrangements seem to give confidence to providers that they can help those with modest basic skills deficits they do not enable, encourage or challenge them to extend the range of young people entering apprenticeship programmes and this is reflected in the equality profile of apprentices.

119 Many providers seem content to accept that there are a large number of potential learners that they could not support. Sometimes such learners are directed towards other providers but more frequently they do not present themselves. Several providers simply stated that employers would not accept disabled learners and did not appear to feel that such stereotyping ought not to pass unchallenged.

120 For these reasons the fact that many providers stated that the current arrangements and rates were satisfactory should not be taken as an indication that there is no need for change. The ILR analysis clearly shows that learners with many types of disability are under-represented on apprenticeship programmes, are less likely to be supported than in FE and are less likely than other learners to achieve their goals.

121 The types of support requirement that many providers felt unable to support were not the most extreme cases of profound and complex disability; rather in many cases they were sensory or physical impairments of the sort routinely dealt with in FE and some schools. Simply increasing ALN funding rates would not be sufficient to address this issue as many providers referred to their lack of expertise and their concern to hit achievement targets which caused them to recruit only those they felt they could support. On the other hand it could not be addressed without extra resources.

122 In practice ALS funding was heavily audited and money was clawed back in months during which there was no evidence that support was provided. This was not the intention and conflicts with the way most providers budget, pooling
resources and using them flexibly to support learners as and when they need it.

123 Although the LSC sees ASN funding as providing a resource additional to that supplied formulaically by the disadvantage factor there is no sign that providers make this connection. There is a danger that the restricted eligibility for ASN funding, with its arduous evidence and audit arrangements, is leading some providers to feel that there is no funding at all to support many categories of young people. It may be useful to review the operation of the disadvantage factor.

124 There is widespread uncertainty about the nature and availability of ELS funding, which must severely limit its impact in supporting those wishing to move to a more inclusive work based learning sector. This effect is compounded by the view that there is a significant gap between the level of support that can be funded from ALS and ELS funding.

125 It appears that the support that is most typically given to a learner with ALN involves around four or five hours per month extra support from a member of the training staff. This is consistent with current ALS funding rates. While providers accept that some learners will need more and some less support, the upper limit implied by current rates will be around 2 hours extra per week. The study found no evidence that older apprentices require less support than younger learners and no grounds for the current difference in rates.

126 Since providers limit their expenditure and activities broadly to match the funding received it is not possible to calculate a precise figure to inform the funding rate based on costing evidence. It does however appear that the current rates are not sufficient to help most learners with additional needs to achieve at the same rate as others. The level of extra support given by ALS in this sector does not appear to be sufficient to compensate for the additional needs of many learners. Success rates of those receiving ALS remain lower than for their peers, suggesting that more needs to be done.

127 A very broad estimate of provider expenditure suggests that the rates could understate current average levels of expenditure by as much as 25% (£190 as against £147). This is consistent with evidence that providers supplement the rates with cross subsidy from FE, charitable sources, local authority budgets, ESF and project work.
128 The study suggests that it would be useful to distinguish arrangements for supporting learners with high cost and low cost support needs. The threshold might usefully be set at around £200 per month. The table below (figure 7) summarises the conclusions for both ASN and ALN distinguishing high and low cost needs.

**Figure 7: Problems with the current approach**

<table>
<thead>
<tr>
<th>Additional Learning Needs</th>
<th>Additional Social Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Cost Needs</strong></td>
<td></td>
</tr>
<tr>
<td>ELS not widely known or understood</td>
<td></td>
</tr>
<tr>
<td>Providers don’t challenge stereotyping</td>
<td>Providers see no route through mainstream LSC funding; some use ESF or LA funds or project funding.</td>
</tr>
<tr>
<td><strong>Low Cost Needs</strong></td>
<td></td>
</tr>
<tr>
<td>Purpose seen as limited to Literacy/numeracy and dyslexia</td>
<td></td>
</tr>
<tr>
<td>Fears about levels of audit and of claw-back constrain action</td>
<td></td>
</tr>
<tr>
<td>Level of funding makes it hard to invest in quality</td>
<td>Claiming ASN seen as difficult and costly</td>
</tr>
<tr>
<td>Providers seem to make no connection with the disadvantage factor</td>
<td></td>
</tr>
</tbody>
</table>

**Recommendations**

129 On the basis of this study it is recommended that the LSC review its approach to the provision of ALS in the ERM. It may be sensible also to review the operation of the disadvantage uplift since its purpose overlaps with ASN but providers appear to make little connection between the two. As well as reviewing the funding mechanism the LSC needs to make clear to providers that the purpose of funding is to enable the sector to move towards more inclusive provision which will involve, on occasion, challenging employer views as to what is possible.

130 In relation to high cost ALN the LSC is recommended to move towards a regime based on individual assessments, preferably carried out by an independent adviser. This would ultimately link with the intention to allocate individual budgets that would enable learners to choose between the work based and other routes without being constrained by financial considerations. In the short term the LSC needs to be much more pro-active in advising
providers about the existence of ELS and the possibilities for its use.

131 In relation to high cost ASN the LSC needs to determine how this might be funded. As participation increases in anticipation of an increased leaving age, and since government plans envisage expansion coming primarily through WBL there will be a need to support young people who were formerly NEET and who have a range of social problems. Some of this support will best be met through financial support but there will still be difficulties with learning originating in personal and social circumstances that need to be tackled.

132 In relation to lower cost ALN there is a need to simplify arrangements for allocating funding, remove them from an audit regime that acts as a deterrent to providers and extend the range of support needs that providers believe they can and should meet. A transparent formulaic approach based on level of study or prior attainment would meet the need and have the further benefit of consistency with developments across the LSC as a whole. This would need to be accompanied by clear guidance and training for all parties; providers, LSC staff and auditors.

133 It is recommended that the funding rates for ALN and ASN are increased to reflect both the levels of expenditure currently being incurred by providers and the need to encourage them to extend the range of needs with which they can cope. Any increase in rates also needs to be accompanied by a programme of capacity building to help develop providers’ skills and confidence.

134 In relation to lower cost ASN it is recommended that learning needs are covered by the same formula and the same monitoring arrangements as for ALN. The current arrangements are widely regarded as cumbersome and restrictive, and support should focus on the need for support and the nature of support required, not the causes of the need. In due course it would make sense to review the operation of the disadvantage uplift which overlaps with ASN funding.

135 The recommendations are summarised in the figure below (figure 8).
**Figure 8: Recommendations**

<table>
<thead>
<tr>
<th></th>
<th>Additional Learning Needs</th>
<th>Additional Social Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Cost Needs</strong></td>
<td>Need for a system that is better signalled and promoted.</td>
<td>In the light of the future increased participation of current needs this absence needs to be addressed urgently.</td>
</tr>
<tr>
<td></td>
<td>Allocation based on individual assessment – ultimately linked to individual budgets.</td>
<td></td>
</tr>
<tr>
<td><strong>Low Cost Needs</strong></td>
<td>Need to move to a transparent formulaic approach linked to level or prior attainment.</td>
<td>Formula should allow providers to respond to need for support irrespective of what caused the need.</td>
</tr>
<tr>
<td></td>
<td>Monitoring should be through inspection rather than financial audit.</td>
<td>A review of the disadvantage uplift is needed.</td>
</tr>
<tr>
<td></td>
<td>Need for some increase in rates to allow investment.</td>
<td></td>
</tr>
</tbody>
</table>