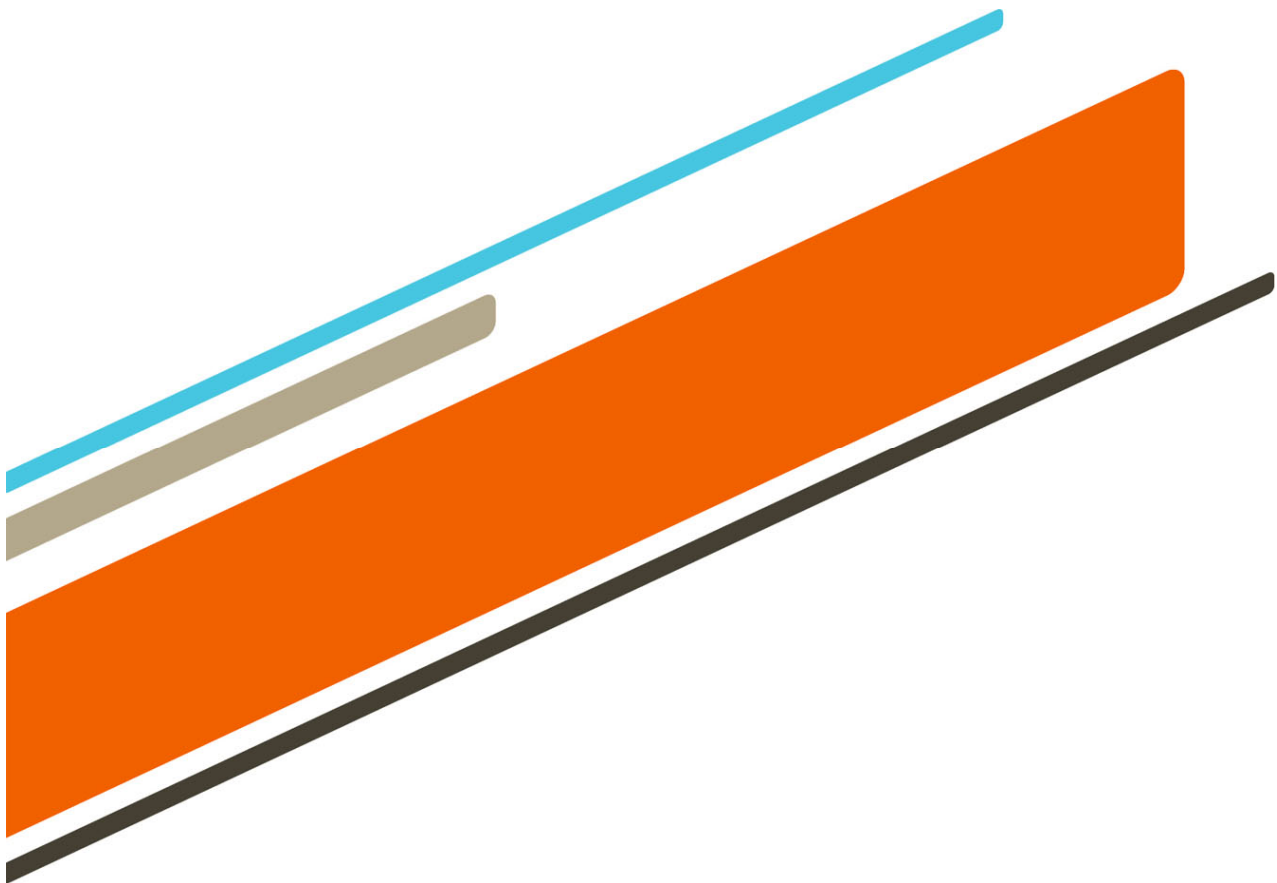


# REQUIREMENTS FOR FUNDING TRAIN TO GAIN

## LEVEL 3 TRIALS

VERSION 1.1  
2006/07

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# Requirements for Funding Level 3 Trials 2006/07

## Introduction

- 1 This document should be read in conjunction with the **Requirements for Funding Train to Gain** document (version 2) and constitutes an integral part of the LSC's funding agreement. The **Requirements for Funding Train to Gain** apply to the funding of the Level 3 trials except where specific differences apply as outlined within this document.
- 2 This document sets out the LSC's approach to funding the Level 3 Train to Gain Trials in 2006/7. The Trials will operate over a two year period; further Funding Guidance will be issued for 2007/8 encompassing necessary changes as a consequence of mid-year evaluation. Separate Funding Guidance will be produced for the Level 3 Women Only Train to Gain Trials.
- 3 For further information, please contact the appropriate local Learning and Skills Council office. Contact details for each office can be found on the LSC's website: [www.lsc.gov.uk](http://www.lsc.gov.uk) or visit [www.traintogain.gov.uk](http://www.traintogain.gov.uk) for details of the service.

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## Background

- 4 Within two English regions the Train to Gain offer will be complimented by Level 3 Trials that will offer an additional product to the brokers' portfolio.
- 5 £20million in 2006/7 and a further £20million in 2007/8 will be available to support the Level 3 Trials in the North West and West Midlands regions.
- 6 The Level 3 Train to Gain Trials will test employers' willingness to contribute financially for the delivery of Level 3 provision via an Assess-Train-Assess model.
- 7 In order to evaluate the success of the service the following questions will be addressed:

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**a. Employer**

- i. Was the supply of training delivered flexibly and responsively according to employer's needs, choice and satisfaction that enabled increased productivity and business competitiveness?
- ii. Have the employers been willing to contribute to the cost of training at Level 3?
- iii. Have employers who have not previously trained to Level 3 engaged in this level of training via the pilots?

**b. Employee**


- i. Did employees receive a training experience and/or qualification that was of high quality, relevant and accessible?

**c. Provider**

- i. Did providers develop their capacity, standards and quality to meet employer needs?

8 The evaluation process will consider Level 3 provision delivered outside of these Trials for comparative purposes.

## Timetable for Implementation

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9 The Level 3 Train to Gain Trials were initially introduced in the North West and West Midlands in August 2006 under Funding Guidance version 1. The previous Guidance included different funding rates and different employer contributions. Due to the poor performance under these conditions the policy has subsequently been revised and Funding Guidance Version 1.1 applies to all learners recruited from 1<sup>st</sup> January 2007.

## Funding Rates

10 There are new arrangements for Level 3 Train to Gain Trial learners starting from 1 January 2007, which will be for the participating regions (North West and West Midlands). Different arrangements will be in place for the Level 3 Women Only Trials.

- 11 Funding Rates for the Level 3 Train to Gain Trials are set out in the table below. They are linked to the sector subject areas and a full list of them is included in the Learner Aim Database that is available on the LSC's website at [www.lsc.gov.uk](http://www.lsc.gov.uk).
- 12 These rates will apply for learners starting between 1 January 2007 and 31 July 2007. These rates include payments for information, advice and guidance, and training needs analysis that will no longer be funded separately. These rates are expected to cover all costs including qualification registration and examination fees.
- 13 Within the **Requirements for Funding Train to Gain** document, paragraphs 19 – 22 higher and lower funding rates are discussed. The Level 3 Train to Gain Trials do not currently have higher and lower funding rates. However, during the course of the financial year an assessment of the suitability of the rates will be made and variances to the rates, including the introduction of a two-rate system (higher and lower) may be applicable.
- 14 As conditions of funding providers, learners and employers may be required to participate in a review of the Trial if required.
- 15 Providers are required to claim funding accurately and maintain auditable evidence. The LSC will monitor the numbers of funding claims at each level. The employer fee is based on the Base Funding rate and does not take into account the programme weighting.

	<b>Sector Subject Area</b>	<b>LSC Contribution</b>	<b>Employer Contribution (06/07: 32.5%)</b>	<b>Total Funding</b>
1	Health, Public Services and Care	£1,665	£585	<b>£2,250</b>
3	Agriculture, Horticulture and Animal Care	£1,665	£585	<b>£2,250</b>
4	Engineering and Manufacturing Technologies	£2,115	£585	<b>£2,700</b>
5	Construction, Planning and the Built Environment	£2,115	£585	<b>£2,700</b>
6	Information and Communication Technology	£1,215	£585	<b>£1,800</b>
7	Retail and Commercial Enterprise	£1,215	£585	<b>£1,800</b>
7	Transportation	£2,115	£585	<b>£2,700</b>
7	Hair and Beauty	£1,665	£585	<b>£2,250</b>
7	Hospitality	£1,215	£585	<b>£1,800</b>
8	Leisure, Travel and Tourism	£1,215	£585	<b>£1,800</b>
15	Business, Administration and Law	£1,215	£585	<b>£1,800</b>
	Other sector subject areas	£1,215	£585	<b>£1,800</b>

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16 In the 2007/8 academic year the employer contribution will increase to 37.5% to align with the LSC's mainstream funding policies.


17 Level 4 jumpers eligible to access Level 3 Train to Gain Trials will be funded at the same rates as Level 3 as outlined above.

## Claiming Funding

18 Learners will be funded from the discrete Level 3 Train to Gain Trial budget and new arrangements will apply. Funding will be paid based on actual learner activity.

19 Data for Level 3 Train to Gain Trial funded learners for 2006/07 will also be collected via existing ILR returns. The ILR has been changed to allow Level 3 Train to Gain Trial funded learners to be identified and to collect the data required to support Train to Gain, including the Employers unique reference number supplied by the Skills Broker. Providers are required to utilise the Level 3 Trial Flag on the ILR as a condition of funding.

20 Providers are required to carry out checks of learner eligibility in all cases. Learners are required to confirm that they are eligible and do not already possess full Level Three qualifications – see Annex for the Learner declaration. Only those learners without prior level 3 attainment are eligible for funding. For further detail see paragraphs 22 – 24.

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21 Providers are only eligible to claim LSC funding upon having received the full employer financial contribution to the training or being in receipt of written commitment from the employer that this will be received before the training is complete. Providers are not permitted to make payments to employers for learners on Trial programmes to encourage participation, completion or for reimbursement of other costs as this practice will invalidate the Trials.

## Contribution to wage costs

22 Employers participating in the Level 3 Train to Gain Trials will not be eligible for wage compensation. Therefore paragraphs 40 to 51 of the **Requirements for Funding Train to Gain** do not apply.

## Eligibility

### Learners Eligible for Service Funding

- 23 To access Level 3 Train to Gain Trial funding the individual must be an employee i.e. possesses a contract of employment with an employer. Individuals must not already hold a full Level 3 qualification. Where the employee already holds a full level 3 qualification, irrespective of when achieved, then a broker may identify further Level 3 training but this should be funded through alternative means.
- 24 Learners who do not already possess a full Level 3 qualification are also eligible for Level 3 Train to Gain Trials if they go straight to a full Level 4 qualification. These learners are referred to as 'Level 4 jumpers'.
- 25 Those individuals possessing "thin" that is only part of a Level 3 qualification, would be eligible for the Trials. This would, for instance, cover learners who may have a VRQ (Vocationally Related Qualification), and who now wish to gain a full Level 3.
- 26 All other Learner Eligibility for Level 3 Train to Gain Trials are outlined within paragraphs 55 to 71 of the **Requirements for Funding Train to Gain** document.

### Employers eligible to access the Train to Gain service

- 27 Employers eligible to participate in the Level 3 Train to Gain Trials are restricted by their numbers of employees not exceeding 250 for the whole organisation.
- 28 Employers participating in the Level 3 Train to Gain Trials are not restricted to Hard to Reach Employers and may require brokerage interventions with Employers not described in this way.
- 29 All other Employer Eligibility for Level 3 Train to Gain Trials is outlined within paragraphs 75 to 80 of the **Requirements for Funding Train to Gain** document. However, an entitlement to Level 3 does not exist for adults and so volunteers and sole traders will not be able to access a Level 3 entitlement in the same way as they would for Level 2.

## Programmes eligible for funding

- 30 Level 3 Train to Gain Trial funding is available for learners that do not already have a first full Level 3 qualification or equivalent, which equates to a qualification equivalent as identified on the LSC Learning Aims Database and outlined with Annex B.
- 31 Providers are required to carry out checks of learner eligibility in all cases. Learners' eligibility will be determined using a process of self-declaration by the learner stating that they do not already have a first full Level 3 qualification. Confirmation of eligibility is based on a question taken from the national Labour Force Survey (LFS) about the level of qualifications already achieved and must be endorsed by the learning provider. All learning providers will use a standard form of words for the self-declaration of eligibility, a draft example of which has been produced by LSC National Office – attached at Annex A.
- 32 Level 3 Train to Gain Trial funding is not available for any Level 3 vocational qualifications that are not classified as full or that are not delivered as a single learning aim. For example A Levels will not be funded as this will not deliver a full Level 3 within a single learning aim, two A levels will be required to fulfil this requirement.
- 33 The eligibility of programmes to receive funding will be determined by the Regional Skills Priorities as agreed by the Regional Skills Partnership and may be updated on an annual basis. The 2006/7 priorities for the North West and West Midlands are outlined within Annex C.

## Additional Audit requirements

- 34 In addition to the audit requirements outlined in paragraphs 136 to 141 of **Requirements for Funding Train to Gain** the Level 3 Train to Gain Trials require evidence from the providers that the employer financial contribution to training is made. Annex D provides an example form that providers may wish to use to confirm the employers' commitment. Alternatively this declaration can be added to any existing agreement between the provider and the employer.
- 35 Annex E offers providers an example of audit evidence that may be used to record receipt of employers' financial contribution to the training delivered via the Level 3 Train to Gain Trials.

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# Annexes

## Annex A

### **SELF-DECLARATION OF ELIGIBILITY FOR LEVEL 3**

The learner is eligible to participate in the Level 3 Train to Gain Trials if they do not already have a first full Level 3 qualification or equivalent, which equates to a qualification equivalent in standard and breadth to 2 A Levels or an NVQ Level 3.

All learners eligible to participate in the Level 3 Train to Gain Trials must complete and sign a declaration of eligibility. This declaration must be counter signed and stamped by the learning provider.

The declaration should be attached to the student's record and retained by the learning provider as a record of eligibility.

The question on which the declaration of eligibility is based is taken from the Labour Force Survey (LFS) about prior qualifications. The information given on prior qualifications should also be entered on the ILR

The form of words to be used by learning providers for the self-declaration is detailed on the following page.

## SELF-DECLARATION OF ELIGIBILITY FOR LEVEL 3

Please complete the following declaration as fully as possible:

### Prior qualifications

Please indicate what qualifications you have completed in the past. Where you have no previous qualifications please state "None".

Date qualification completed (state year where exact date unknown)	Details of qualification (for example:- Title, any module names, awarding body, institution where qualification taken)	Level achieved

Please continue on an additional sheet where required and attach to the Declaration.

### Declaration

'I confirm that all the information on this form is correct and I declare that I do not already have a full Level 3 qualification or above.

I have a contract of employment.

I understand that if I have declared false information the provider may take action against me to reclaim the tuition fees and any support costs provided.'

Signed  
(Learner)

Signed  
(Learning Provider)

Signed  
(Employer)

Date

Official Stamp of the Learning Provider

## Annex B

### Definition of Full Level 3

The list below provides details of Level 3 qualifications to identify learners who are already in possession of a full Level 3. However, the list of qualifications identified below will not all be eligible for funding via the Level 3 Train to Gain Trials as they are not all single learning aims.

The full level 3 definition has 3 parts:

- Aims selected on the type of learning aim. This includes NVQs, GNVQs and VCEs.
- Access to Higher Education qualifications recognised by the Quality Assurance Agency for Higher Education (QAA)
- Other qualifications (VRQs) that are likely to be counted as full level 3 in the Government's Labour Force Survey.

In addition qualifications must be approved on the DfES Section 96 or 97 lists or be a component of an approved qualification [LSC funding status code= 01,02,03 or 06]. Access to HE qualifications must be marked as recognised by QAA [LSC funding status code= 04]

The table below shows the criteria used to select learning aims and the percentage value assigned.

Aim type	Default percentage
NVQ level 3	100
GNVQ level 3	100
A level, AVCEs	50
AS level/A2, AS VCEs	25
AVCE Double awards	100
Level 3 aims marked as QAA-recognised Access to HE.	100
Other qualifications at level 3 and of <b>595</b> or more guided learning hours (from QCA Openquals data)	100
Some other qualifications previously identified as full level 3 have retained this status	100

In addition to the qualifications identified above, individuals that hold qualifications above Level 3 will not be eligible for the Level 3 Train to Gain Trials. This will include (but not exhaustive) NVQ Level 4 and above, Edexcel/BTEC National Certificate or Diploma, City & Guilds Craft Part 3, HND, HNC, First Degree and Higher Degree.

## Annex C: Regional Sectoral Priorities

The tables below indicate the learning within the respective regions determined as regional priorities for the academic year 2006/2007. Provision delivered outside of these priorities will not receive funding from the LSC through the Level 3 Trials.

### North West

#### SIC CODES

Growing of crops; market gardening; horticulture	11
Farming of animals	12
Growing of crops combined with farming of animals	13
Agricultural service activities	14
Fishing/operation of fish hatcheries etc	50
Extraction: crude petroleum/natural gas	111
Service activities: oil & gas extraction	112
Production of salt	144
Production and preserving meat etc	151
Processing/preserving fish etc	152
Processing/preserving of fruit & veg	153
Manufacture of veg/animal oils/fats	154
Manufacture of dairy products	155
Manufacture of grain mill products etc	156
Manufacture of prepared animal feeds	157
Manufacture of other food products	158
Manufacture of beverages	159
Preparation/spinning of textile fibres	171
Textile weaving	172
Finishing of textiles	173
Manufacture of made-up textile articles	174
Manufacture of other textiles	175
Manufacture of other wearing apparel etc	182
Manufacture of footwear	193
Publishing	221
Printing etc	222
Reproduction of recorded media	223
Manufacture: refined petroleum products	232
Processing of nuclear fuel	233
Manufacture of basic chemicals	241
Manufacture of pesticides etc	242
Manufacture of paints, varnishes etc	243
Manufacture of pharmaceuticals etc	244
Manufacture of soap and detergents etc	245
Manufacture of other chemical products	246
Manufacture of man-made fibres	247
Manuf: agricultural/forestry machinery	293
Manufacture of weapons and ammunition	296
Manuf: electricity distrib. apparatus	312
Manufacture of electrical equipment nec	316

Manuf: medical/surgical equipment nec	331
Manuf: instruments for measuring etc	332
Manuf: industrial process control equip.	333
Manufacture of motor vehicles	341
Manufacture of motor vehicles bodies etc	342
Manufacture of parts for motor vehicles	343
Manufacture of aircraft and spacecraft	353
Manufacture of games and toys	365
Recycling of metal waste and scrap	371
Recycling of non-metal waste and scrap	372
Production/distribution of electricity	401
Manufacture/distribution of gas	402
Steam and hot water supply	403
Collection/purification etc of water	410
Construction	45
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	50
Wholesale of food, beverages and tobacco	513
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	52
Hotels and restaurants	55
Transport via pipelines	603
Space transport	623
Telecommunications	642
Monetary intermediation	651
Other financial intermediation	652
Insurance and pension funding, except compulsory social security	660
Activities auxiliary to financial intermediation, except insurance and pension funding	671
Activities auxiliary to insurance and pension funding	672
Real estate activities	703
Hardware consultancy	721
Software consultancy and supply	722
Data processing	723
Data base activities	724
Other computer related activities	726
Research: natural sciences/engineering	731
Accounting/book-keeping activities etc	741
Architectural/engineering activities etc	742
Technical testing and analysis	743
Advertising	744
Labour recruitment etc	745
Miscellaneous business activities nec	748
Health and social work	85
Sewage and refuse disposal etc	900
Motion picture and video activities	921
Radio and television activities	922
Other entertainment activities	923
News agency activities	924

## West Midlands

Health, Public Services and Care
Medicine and Dentistry
Nursing and Subjects and Vocations Allied to Medicine
Health and Social Care
Public Services
Child Development and Well Being
Engineering and Manufacturing Technologies
Engineering
Manufacturing Technologies
Transportation Operations and Maintenance
Construction, Planning and the Built Environment
Architecture
Building and Construction
Urban, Rural and Regional Planning
Information and Communication Technology
ICT Practitioners
ICT for Users
Retail and Commercial Enterprise
Retailing and Wholesaling
Warehousing and Distribution
Service Enterprises
Hospitality and Catering
Leisure, Travel and Tourism
Sport, Leisure and Recreation
Travel and Tourism
Arts, Media and Publishing
Performing Arts
Crafts, Creative Arts and Design
Media and Communication
Publishing and Information Services
Education and Training
Teaching and Lecturing
Direct Learning Support
Business, Administration and Law
Accounting and Finance
Administration
Business Management
Marketing and Sales
Law and Legal Services

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## Annex D: Employer Commitment

As outlined within paragraph 32 of the **Requirements for Funding Train to Gain: Level 3 Trials** the LSC require providers to be able to demonstrate that employers have contributed the necessary financial contribution to training as outlined within the Employers Fees within the Funding Rates table of the same document.

As best practice the LSC suggests that commitment to provide the required financial contribution could include a letter on the Employer's headed paper outlining the following:

*We agree to pay..... (provider) 32.5% of the funding of learning in respect of .....(learners name) to the amount of £.....*

*Signature*

*Date*

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## Annex E: Employer Contribution

As outlined within paragraph 33 of the **Requirements for Funding Train to Gain: Level 3 Trials** the LSC require providers to be able to demonstrate that employers have contributed the necessary financial contribution to training as outlined within the Employer Fees within the Funding Rates table of the same document.

As best practice LSC suggests that providers retain records for use by LSC audit teams. A form such as the one outlined below could be used for these purposes:

## Level 3 Train to Gain Trials

### Employer Contribution – Audit Records

Name of provider.....  
Name of employer.....  
Name of learner.....  
Method of payment.....  
Date of payment.....  
Payment reference/Invoice number.....  
Value of payment £.....

We the provider, confirm that the financial contribution by the employer named above has been received and the information contained within this form is correct.

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**Signed (on behalf of the provider)**

**Date**