

Demand-led Funding – Employer Responsive and Level 4 Qualifications in 2008/09

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Audience

- 1 National, Regional and Partnership teams. Provider Financial Assurance teams. Train to Gain National and Regional Teams. Apprenticeship National and Regional teams. Regional Contract teams. National Employer Service.

Purpose

- 2 This briefing note is designed to clarify the position of level 4 qualifications within the Employer Responsive model in respect of the eligibility of learners and the funding arrangements in 2008/09 and 2009/10.
- 3 This note deals with carry over learners who started their NVQ level 4 qualifications under Train to Gain, Work-based Learning or FE prior to 2008/09.
- 4 The briefing note also deals with new learners who wish to follow a level 4 starting in 2008/09 and 2009/10.
- 5 It is intended that this document will be used by LSC colleagues in discussion with providers who either historically delivered level 4 qualifications in 2007/08 and wish to do so in 2008/09 or those providers who wish to deliver level 4 qualifications in 2008/09 for the first time. Both regional and partnership teams should work within the budgets agreed for level 4 provision in 2008/09 and 2009/10.

Carry over Learners

- 6 Learners who started prior to 1st August 2008 previously funded by the LSC will be eligible for funding based on their previous funding programme in 2007/08 :-
 - Work-based Learning – Learners will continue their NVQ learning in Employer Responsive funding.
 - FE – Learners aged 19 years or older will transfer into Employer responsive.

- Train to Gain – Learners funded through both mainstream Train to Gain and level 3 Train to Gain trials will continue their learning in Employer Responsive funding.

7 Learners aged below 19 years of age will be funded through the 16-18 model subject to paragraph 12 below.

New learners in 2008/09

8 New starts on a NVQ level 4 qualification, where the learner does not already hold a level 4 qualification or equivalent, delivered partially or wholly on employer premises will be funded in 2008/09 based on a provider's historical delivery and the new flexibilities in Train to Gain :-

- Work-based Learning – Providers who have previously delivered NVQ level 4 in WBL in 2007/08 will be able to continue to offer the provision to new starts during 2008/09.
- Further Education - FE colleges with NVQ level 4 provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC will be able to offer provision to new starts.
- Train to Gain – New provision will only be allowed where the requirements of the Train to Gain flexibilities are met. That is, learners will be eligible if they do not currently hold a level 3 qualification (Level 4 “jumpers”). Additional Level 4 qualifications will be permitted as in FE (see above) and training providers (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the provider and the LSC.
- All providers may offer full cost provision to employers as part of a wider offer of training.
- Level 4 provision may be offered via European Social Funds where it has been procured for by a specific region. Providers will be delivering under an LSC ESF contract where this is the case. For more information on ESF contact you local partnership team.

9 Learners who already hold a level 4 qualification or equivalent will be ineligible for funding of another level 4 qualification. It is appreciated that this guidance is being issued after the start of the 2008/09 funding year, therefore learners who were recruited and started between 1st August 2008 and 30th November 2008 will be funded as per paragraph 8. ***From 1st December 2008 learners who have already achieved a level 4 qualification will ineligible for funding through Train to Gain to study another level 4 qualification.***

AAT NVQ Level 4

- 10 AAT NVQ level 4 is not part of an apprenticeship, but has been delivered as a progression from the Advanced Apprenticeship within Work-based Learning prior to 2008/09. This qualification is not delivered in the work place but in the classroom with an examination at the end of learning. Although work-based projects may be completed by learners no work-based assessments are carried out.
- 11 In view of the mode of delivery it has been decided that this qualification will be available to be funded through the Adult Learner Responsive model from 2009/10 subject to negotiations on allocations. During 2008/09 there will be a period of transition where the funding for this qualification will be funded based on the prior funding models used. For providers where this was delivered through FE they will be funded using Adult Learner Responsive funding. Providers who used Work-based Learning will use Employer Responsive funding in 2008/09. Where a provider has both Employer and Adult Learner Responsive funding the provider is expected to fund this qualification through Adult Learner Responsive model.
- 12 A transitional issue has arisen where learners, who are 18 years old, have completed their Advanced Apprenticeship in Accounting and now wish to start their AAT NVQ Level 4 with an Employer Responsive funded provider who does not have a 16-18 allocation. It would be bureaucratic to insist that the provider work with a 16-18 allocation for a very small number of learners (less than 10) during 2008/09. In this case the learner should fund these learners from employer responsive in 2008/09 only. They will be classed as Train to Gain although only being 18. Providers should be informed that this requires a change to the current validation rules for ILR submissions which will not be done until November 2008. This transitional arrangement allows the provider to plan what they need to do for 2009/10 when all this provision will move to Adult Learner Responsive or 16-18 provision.
- 13 In 2009/10 learners who started and were funded through the Employer Responsive Model in 2008/09 will continue to be funded through that funding model until the end of the learning of their qualification. See paragraph 16 for details of transitional funding arrangements.
- 14 It should be noted that AAT NVQ Level 4 is not part of an Apprenticeship. The LSC is not responsible for the development of Apprenticeship Frameworks. The Financial Services Skills Council is the Sector Skills Council that should be contacted if the provider feels that there is sufficient employer demand for a higher level framework to be developed in this occupational area.

Funding 2008/09

- 15 Carry over learners (pre 2008/09) will be funded based on the historical funding programme that the learner was funded under:-
- Work-based Learning – Transitional arrangements will apply to all NVQ level 4 qualifications as for apprenticeships. Details can be found at <http://www.lsc.gov.uk/publications/latestdocuments/Detail.htm?id=55be2fbc-de38-43a6-8269-9f08910074f5> . See also Annex 1.
 - Further Education – funding rates will be at the prevailing 08/09 rates as Transitional Protection applies to all FE NVQ provision transferred into the Employer Responsive Model.
 - Train to Gain – Funding rates will be at the prevailing 08/09 rates. Reference should be made to the transitional arrangement documents for mainstream Train to Gain <http://www.lsc.gov.uk/publications/latestdocuments/Detail.htm?id=ffc18197-7878-4f35-b88a-fd863d5a090a> and Train to Gain level 3 trials http://readingroom.lsc.gov.uk/lsc/National/Briefing_Note_ERM_L3_trials_and_TtG_Transition_cor.pdf.
- 16 New learners in 2008/09 will be funded based on the historical funding programme that the provider used to deliver that enables them to continue to deliver.
- Work-based Learning – the rate that will apply for all NVQ level 4 qualifications for learners starting in 2008/09 will be the midpoint between the prevailing rate in 2008/09 and the rate that applied in 2007/08, for examples see Annex 1. This is a transitional rate process for 2008/09 which will not be used for learners starting in 2009/10. A provider will be able to claim the difference between what is paid though the ILR system and the transitional rate using the Training Provider Statement.
 - Further Education – funding rates will be at the prevailing rates as Transitional Protection applies to all FE NVQ provision transferred into the Employer Responsive Model.
 - Train to Gain – Funding rates will be at the prevailing rates.
- 17 All level 4 provision is co-funded and has an expected employer contribution of 42.5% of the funding rate in 2008/09.
- 18 All level 4 provision, in common with all provision, will be subject to criteria on quality and success. Regional and Partnership teams can restrict the delivery where it is deemed that the learner is not being delivered quality provision.
- 19 ***Providers will work within their financial and volume budgets that are agreed. They reflect the agreement between the LSC and DIUS as part***

of the Train to Gain flexibilities. It is not expected that there will be any growth in level 4 provision in 2008/09 from that of 2007/08 levels.

Funding 2009/10

- 20 All new starts in 2009/10 will be funded at the national rate as listed on the Learning Aim Database.
- 21 Learners on transitional rates, that is, learners who started prior to 2008/09 and those who started in 2008/09, will continue to be funded on their respective transitional rates. They will stay within the same funding streams as they were in 2008/09 until July 2010. Further guidance will be issued in 2009/10 once funding arrangements are known for 2010/11.
- 22 Funding will be subject to agreed financial and volume budgets agreed by providers with regional and partnership teams.
- 23 It should be noted that as set out in the current Statement of Priorities, level 4 qualifications are contained with Developmental Learning. Both the numbers in funded learning and the budgets attached in both Adult Learner Responsive and Employer Responsive will decrease over the next 3 years and there is no guarantee that LSC will continue to fund any new level 4 provision.

Apprenticeships

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

Next steps

- 25 Regional and Partnership teams should ensure that all LSC colleagues and providers, that currently delivery level 4 qualifications through Employer Responsive funding, are made aware of the issues raised in this briefing note.

Annex 1

1. The following examples are to show the process in determining the value of transitional funding that can be claimed where a learner is following an NVQ level 4 qualification which was previously funded through Work-based Learning or the provider is continuing to provide provision previously funded through Work-based Learning
2. The example uses NVQ level 4 Health and Social Care 10047943. This example is for illustration purposes only and does not infer that this qualification would be funded for any provider. For calculating both the 07/08 and 08/09 rates both Disadvantage and Area uplift have not been included in order to simplify the example. It is also assumed that an NVQ level 4 would be delivered in more than 15 hours of learning and would therefore be funded at TtG higher rate.
3. The rates for NVQ level 4 Health and Social Care are:-

2007/08 19+ rate	£3513.77
2008/09 TtG higher rate	£1284.48

Learning continuing in learning from 2007/08 into 2008/09

4. The proportional amount paid in instalments would be the same in 2007/08 as in 2008/09, 25%. The amount paid in instalments in each year would be based on the planned length. If we assume that the learner starts in learning in August 2007 and plans to leave in August 2009, therefore would be in learning for 24 months. Therefore the monthly payment would be £109.81 in 2007/08 and £38.53 in 2008/09. The outcome payment would have been £878.44 in 2007/08 and is £321.12 in 2008/09.
5. Providers will claim £71.28 (£109.81 - £38.53) each month where the learner is still in learning and is part of the planned learning duration. When the learner achieves the provider claims £557.32 (£878.44 - £321.12). If the learner achieves earlier than planned the provider claims the remaining balance of funding.
6. Each claim must be made using the Training Provider Statement using the box 'Train to Gain Authorised Claims' for the month that the claim relates to. Claims must be made during the funding year applicable. No claims outside of the funding year will be paid.

Learning starting in learning in 2008/09

7. The rate that would apply would be the mid point between the 2007/08 and 2008/09 rates. In the above example this would be £2399.13 ((£3513.77 + £1284.48) / 2)
8. The amount paid in instalments for 2008/09 would be £77.07 in the first month and £38.53 for each subsequent 23 months. Using the transitional rate of £2399.13 the provider should be receiving £143.95 in the first month and £71.97 for the rest of planned learning. Therefore the provider claims £66.88 (£143.95 - £77.07) in the first months and £33.44 (£71.97 - £38.53) for the rest of planned learning.
9. The amount paid for achievement during 2008/09 would be £321.12 against a transitional rate of £599.79. Therefore on achievement the provider will claim £278.67 (£599.79 - £321.12). If the learner achieves early the balance of any instalments would also be claimed.
10. Each claim must be made using the Training Provider Statement using the box 'Train to Gain Authorised Claims' for the month that the claim relates to. Claims must be made during the funding year applicable. No claims outside of the funding year will be paid.

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