

Vocational Qualification Reform & Qualifications and Credit Framework (QCF) Implementation

Technical Parameters for Funding – General Guidance Version 2

21 May 2010

Background and Purpose

1. From 1st April 2010, the Skills Funding Agency (Agency) is responsible for confirming which qualifications are approved for public funding for post 19 learners in England. Where a qualification is vocational and recognised in the Qualifications and Credit Framework (QCF), the Agency will seek advice from Sector Skills Councils (SSCs), Standard Setting Bodies (SSBs) and Sector Bodies (SBs) and will make recommendations via the Agency's Funding Approval processes. Decisions will rest with the Agency Strategic Approvals Panel (SAP).
2. The process that the Agency has created to confirm public funding for qualifications is designed to manage down the time taken for qualifications to be available for delivery, to be transparent and non-bureaucratic, and provide greater clarity on which qualifications will be funded within the Agency's delivery programmes. This is also to ensure that public funding is focused on qualifications that meet the skills needs of employers, learners and the wider economy.
3. To deliver these aims and to support the funding approvals process in particular, this paper sets out the qualification characteristics and criteria which the Agency expects SSCs/SSBs/SBs to consider when recommending recognised vocational qualifications for public funding in England. Also included in this document, is the Agency's approach to setting funding values for qualifications approved for public funding.

Key Qualification Characteristics and Criteria

4. As part of the funding approval process the Agency has developed a set of technical funding parameters to support the SSCs/SSBs/SBs in making appropriate and relevant recommendations for fit-for-purpose and economically valuable vocational QCF qualifications. Each of the main delivery programmes, Adult Learner Responsive (ALR), Train to Gain (TtG), Programmes for the Unemployed (PfU) and Offender Learning and Skills Service (OLASS) will have specific parameters of their own. In addition, guidance on Apprenticeships will follow which will offer specific information on QCF funding parameters in the context of the Specification for Apprenticeship Standards in England (SASE). All of these parameters will be set out consistently under the following three categories:
 - a. **Purpose** - based on the purpose identifier, a required attribute of all QCF qualifications, purpose identifiers are important in the QCF, unlike the National Qualification Framework (NQF), qualifications in the QCF are not regulated on the basis of 'type' (e.g. GCSE, NVQ). Purpose identifiers offer additional information to learners and employers as to what a qualification in the QCF has been primarily designed to do.
 - b. **Challenge** - defined in terms of QCF level
 - c. **Volume of Learning** - based on QCF credit value, with qualifications divided into the three size bands of Award, Certificate and Diploma.
5. The guidance will set out the scope of each programme in terms of the aims, aspirations and primary target learner group, and will specify the delivery context of the provision. This will support SSCs/SSBs/SBs in recommending the most appropriate vocational qualifications within each programme.
6. In recommending vocational QCF qualifications for public funding SSCs/SSBs/SBs should be aware of the stated intent of the Agency to move towards greater use of shared and equivalent units across the QCF in order to drive forward and stimulate credit accumulation and transfer. From August 2010, the Agency intends to prioritise funding for shared units in the context of qualifications. From 1 August qualifications

which include restricted units will only be funded on the basis of a clear rationale and in line with OfQual guidance on designating units as shared or restricted (May 2009).

7. It is important that provision exists to enable learners to enter and progress from a wide range of relevant levels and entry points and that progression routes are clearly set out. In addition SSCs/SSBs/SBs should also be aware of the need to balance pre and post 19 provision and seek to ensure that appropriate progression opportunities across the 18 to 19 age range are in place. This documentation does not cover the eligibility for funding for learners aged pre 19. Recommendations for funding eligibility of provision for pre 19 learners is the responsibility of the Joint Advisory Committee for Qualification Approval (JACQA). Further information on JACQA is available at <http://www.ypla.gov.uk/>.
8. Where a single qualification is offered by a range of awarding organisations (AOs), the SSC/SSB/SB must ensure that all the AOs offering that qualification are included in its advice and recommendation to the Agency.
9. It is fully expected that the technical parameters will be followed by SSCs/SSBs/SBs when recommending qualifications to be considered for funding. However, we acknowledge there will on occasion be legitimate exceptions to these. Exception cases may be raised by sector bodies via the Agency Sectors Team and will form part of a formal process. Decisions will be made by the Strategic Approvals Panel.
10. The Agency will only accept recommendations for funding from SSCs/SSBs/SBs via the Action Plan database. Sector bodies must ensure the database is updated regularly and accurately to permit a timely response.

Ineligible Provision

11. For all Agency programmes, policies setting out provision ineligible for public funding will apply. Stand alone provision which remains ineligible for funding is as follows:
 - Manual handling
 - Health and safety at work or in the workplace (or related learning aims delivered as stand-alone provision for employers)
 - Safety passport schemes
 - Risk assessment or management
 - Conflict management
 - Environmental awareness/management
 - Control of substances hazardous to health (COSHH)
 - Conflict resolution
 - Personal safety
 - Funding for the updating of qualifications to comply with health and safety
 - Regulations –for example gas safe registration *renewal* within a vocational qualification
 - Funding for specific forklift truck training and acquisition of heavy goods vehicles (HGV) and public service vehicle (PSV) licenses
12. Qualifications with a primary purpose of Continuing Professional Development will also be ineligible. For the purposes of Agency funding, Continuing Professional Development is defined as enhanced occupational competency over and above that needed to be competent in a job role. This would therefore require additional learning over and above the Train to Gain threshold set. Within Adult Learner Responsive the emphasis should be on further learning and training and

progression to higher level skills. If the learning is deemed to be essential to the role this must be integrated within the competency qualification.

13. We are currently considering our position on the funding of licence to practice provision and further clarification in this area will be offered in the next revision to the general guidance.
14. At any point following funding approval, should the Agency identify that approval was granted based on inaccurate information, the Agency will reserve the right to remove funding. The Agency will undertake an impact assessment and confirm a period of notification to the appropriate sector organisations and to providers with regard to when funding for new starts on the qualification will cease.

Timescales

15. For vocational provision in the QCF our primary focus to date has been on Train to Gain and Adult Learner Responsive Provision. The Technical Funding Parameters for Adult Learner Responsive and Train to Gain have now been approved and are available as separate documents.
16. The remaining Technical Funding Parameters are timetabled as follows.
 - Programmes for the Unemployed (PfU) - 15th of June
 - Offender Learning and Skills Service - 15th of June
17. In the main, guidance for Offender Learning and Skills Service and Programmes for the Unemployed will not differ fundamentally from the guidance for Train to Gain and Adult Learner Responsive but will simply seek to add more context. Qualifications already confirmed for funding in ALR and Train to Gain will be eligible for OLASS and PFU where recommended by the sector body.
18. Following the publication of the Technical Funding Parameters, only qualifications meeting the appropriate criteria should be recommended for funding. This can only be notified by SSCs/SSBs/SBs selecting the appropriate funding streams in the UKCES action plan database
19. All Technical Funding Parameter documents will be made available publicly at <http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/>. Revisions will be issued inline with the timetable above and quarterly thereafter.

Further Support

20. For advice and queries, SSCs/SSBs/SBs should contact their Skills Funding Agency Sector Manager.
21. The awarding organisations should contact the relevant SSC/SSB/SB directly with queries regarding recommendations that they have made or are making for public funding; however AO may also contact the Agency Qualifications and Credit Team via the QCF Service Desk at qcf servicedesk@skillsfundingagency.bis.gov.uk.
22. General information on vocational qualification reform and the implementation of the QCF is available online at: <http://qcf.skillsfundingagency.bis.gov.uk/resources/>.

Approach to Setting Funding Values

23. Qualifications approved for public funding will be set funding values (Standard Learner Numbers (SLN)).
24. The principle behind the Agency's funding is that the rate paid reflects the directly incurred cost of efficiently delivered provision. Guided learning hours (glh) are used

as the measure of costs incurred for Adult Learner Responsive provision (Inclusive of TtG and Apprenticeships). Activity - delivering provision and assessment in the workplace (together with any associated glh) is used as the measure of costs incurred in Employer Responsive provision (Train to Gain and Apprenticeships). (Learning and Skills Council Funding Guidance 2008/09: Principles, Rules and Regulations paragraphs 20 and 21).

25. In order to set fair and appropriate funding values, the Agency needs to know the following information:
- Primary and secondary purpose, as a proxy for mode of delivery of the qualification (either classroom or workplace based, or a mix of the two), to determine its relative size (source UKCES)
 - glh (which is a sub-set of the qualification's learning time) or credit value (source Ofqual)
 - Activity information, for example to determine funding values in Apprenticeships when there is a material change to the framework (source SSCs)
 - Number of pathways available within a qualification, to determine the SLN/SLN glh value when the recommended glh covers a range (source Ofqual)
 - LearnDirect Classification System (LDCS code) (source the Data Service) or Sector Subject Area (SSA) classification Tiers 1 and 2 (source Ofqual) or 'sub-sector' (source UKCES), to determine the programme weighting factor
 - Predecessor qualification(s) to maintain consistency in the funding where the QCF version is the same as its predecessor. This information also helps in setting programme weighting factors, where exceptions to the LDCS or SSA classification are not effectively captured when replacement qualifications are introduced (source UKCES or individual search)

Annex 1: Frequently Asked Questions

Question: What is the Agency's policy on restricted units in the QCF?

Answer: The Agency has consistently indicated that it wishes to focus on shared units and/or equivalences in the QCF. This is because shared units can better support credit accumulation and transfer for the learner and shared units can be available for all AOs and all providers. From August 2010 we will no longer approve qualifications for public funding where they consist of restricted units. In advance of August we will undertake an impact assessment review of focusing funding on shared units but it is important to note that at the moment 77% of units in the QCF now are shared, therefore we are only talking about a minority of units which remain either restricted to a particular group of AOs (5%) or are restricted (17%).

Question: Can you please clarify the use of 'Target Bearing' in Train to Gain (TTG) and Adult Learner Responsiveness (ALR)

Answer: For Train to Gain (TtG) the use of 'Target Bearing' means that a qualification has met the credit threshold which the SSC has identified for the achievement of occupational competence. With regards to the use of 'Target Bearing' for ALR this means that the qualification is a valuable sector qualification and that a SSC on behalf of their sector, support the qualification for public funding and it fulfils the parameters for ALR. In ALR specific credit thresholds are not required unless the qualification has a purpose identified of D1 (Confirm occupational competence), or has been signaled in the TtG threshold. In ALR we are seeking an appropriate range of broad vocational qualifications and particularly wish to see qualifications which will support progression, for ALR rather than specific credit thresholds we expect target bearing qualifications to be at Certificate or Diploma band width for Level 2 and 3 and Diploma band width for Level 3. These band widths were first identified in the National Skills Strategy (Skills for Growth). For an interim period until 2011 we MAY consider funding an Award in ALR at Level 2 where the qualification has a purpose identifier of D1 and has already been identified in Train to Gain. For Level 3 we will seek to review the rationale for supporting only diploma. By 2011 we intend across Train to Gain and in ALR to focus on the band widths set out in the NSS. From August 2010 to the end of December 2011 we do wish to manage down the volume of Awards at Level 3 and at Level 2 in TtG and ALR.

Question: The Ministerial statement talked about 13 credits being the threshold where did this come from?

Answer: 13 credits was the initial credit threshold that Ministers accepted in November 2008 in terms of a definition of 'Target Bearing' for the QCF. This was the baseline identified that would enable the LSC and Agency to ensure stability in terms of reaching the Level 2 PSA target and also in terms of affordability. It was also seen as the threshold to confirm competence across an occupational sector. The initial process of modeling that the LSC took forward also encompassed looking at both existing NQF learning aims at level 2 and at current QCF level 2 learning aims and applying a range of factors examining the relationship between guided learning hours and learning time and credit. However, since the initial modeling it has become clear that across SSCs and across sectors and sub sectors a single credit threshold is not applicable and following further submission to Ministers in 2009 a more flexible approach, whereby SSCs set credit thresholds for occupational competence, was needed. .

Question: Why do you need the Target Bearing thresholds now?

Answer: The current Public Service Agreement (PSA) targets for Level 2 and Level 3 last until 2011. Because the original definitions of 'Target Bearing' were based on the National Qualifications Framework (NQF) we need a definition which can be applied to qualifications in the QCF. In order to be able to focus funding on QCF qualifications from August 2010, we need to know which qualifications are target bearing so we can ensure they are prioritised for funding. There are already a number of qualifications in the QCF which we will not consider funding until we have received a final version of the template from SSCs through which they confirm which qualifications they would wish the Agency to fund. Information provided in the template

will be used to analyse the costs and affordability of delivery against PSA targets under the QCF framework. It will also be used in provider dialogue for the purposes of prioritising qualifications in TtG and ALR. The PSA targets are subject to revision in 2011 and the Agency is currently undertaking an evaluation of the QCF 'Target Bearing' definition which will feed into this review. 'Target Bearing' is not a helpful term, but it does identify which qualifications should be seen as priorities

Question: When will the Agency be publishing funding rates for QCF provision?

Answer: As soon as provision is approved for public funding under QCF and listed on the Agency website the Learning Aims Database is updated with QCF funding details.

Question: Can a target bearing level 2 or 3 consist of multiple qualifications?

Answer: No – SSCs should focus on ensuring appropriate Rules of Combination and packaging of units into a single qualification. The QCF allows the combination of units reflecting different knowledge and skills needs into a target bearing Level 2 or 3.

Question: Why are there two deadlines for QCF transition; 31st July 2010 and December 2010?

Answer: The deadline for publicly funded provision is 31st July 2010 to align with the delivery years and to allow the Agency to focus funding on the QCF from 1 August 2010. . The deadline of December 2010 is for all vocational qualifications to be on the QCF We would expect the July deadline to apply to qualifications which are intended to be eligible for public funding in England.

Question: How do the thresholds relate to Apprenticeships / are they aligned?

Answer: Following the outcomes of the consultation on the Specification of Apprenticeship Standards for England (SASE), the Agency and National Apprenticeships Service (NAS) have begun a programme of work to model the impact of the QCF and interim definitions of 'Target Bearing' Level 2 and 3 in the context of Apprenticeships; this is taking place alongside more general work on transition of frameworks to the QCF. This work is supporting SSCs to ensure that, from August 2010, Apprenticeship can begin to build from provision in the QCF and also to look to align the interim 'Target Bearing' Level 2 definition with the emerging QCF model of apprenticeships.

Skills Funding Agency

Cheylesmore House
Quinton Road
Coventry CV1 2WT
T 0845 019 4170
F 024 7682 3675

www.bis.gov.uk/skillsfundingagency



© Skills Funding Agency

Published by the Skills Funding Agency

Extracts from this publication may be reproduced for non-commercial, educational or training purposes on condition that the source is acknowledged and the findings are not misrepresented.

This publication is available in electronic form on the Skills Funding Agency website:

www.bis.gov.uk/skillsfundingagency

If you require this publication in an alternative format or language, please contact the Skills Funding Agency Help Desk: 0870 900 6800.

Skills Funding Agency – P – 100012