

Managing Train to Gain and Apprenticeship funding in 2009/10

In Guidance Note 2 issued in February 2010 we stated that our Account Management teams would continue to review and monitor performance and would increase or decrease Maximum Contract Values for Employer Responsive funding to maximise performance over the remainder of the financial year (i.e. the period to 31 March 2010).

Apprenticeships 16-18 and 19-24

We set out in Guidance Note 2 our commitment to ensure all 16-18 Apprenticeship activity for that period was funded, and we expected no College or Training Provider to turn away 16-18 starts on the basis of a lack of funding within the whole year 2009/10 Maximum Contract Value.

We can now also confirm that all 19-24 Apprenticeship activity for the period to the end of March 2010 will also be funded. In doing so, we can only commit to funding this as long as it remains within a provider's overall Maximum Contract Value for the whole of academic year 2009/10. The National Apprenticeship Service will keep this position under review subject to the sector being able to increase the number of Level 3 starts over the remainder of this year.

Train to Gain and Apprenticeships for 25+

A review of contract performance at the end of March shows that for some providers the amount of funding required to support actual delivery has exceeded the agreed financial profile up to the end of March 2010.

We can confirm that funding for the activity that was uploaded in March and exceeded the value of a provider's March profile, will now be paid for in May. This action does not represent an increase in the academic year budget or a provider's maximum contract value, rather a redistribution of the funding profile within the academic year in light of actual delivery.

Providers will therefore have to work within their agreed academic year maximum contract value, however the timing of when funding is drawn down has changed to reflect the actual pattern of delivery.

In light of any over performance against contract profile in March, providers will need to give careful consideration to planned activity for the rest of the contract year up until the end of July. This will be necessary to ensure that there is sufficient funding within the contract to meet existing commitments. The Skills Funding Agency cannot commit to paying for any delivery above the agreed MCV because of budgetary constraints.

We will continue to closely manage the remaining quarter of the 2009/10 academic year (April to July 2010) and will act robustly in addressing any underperformance.

Skills Funding Agency

Cheylesmore House Quinton Road Coventry CV1 2WT
T 0845 377 5000 www.skillsfundingagency.bis.gov.uk
An agency of the Department for Business, Innovation & Skills