

## **Second Allocations Methodology for Initial Funding Statements - 2012/13 Contracting Year**

**Date of issue**                      27 January 2012

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This note describes:

- Updates to the initial allocations for the Adult Skills Budget (ASB).
  - The methodology used to calculate the initial funding statements for the following budget lines:
    - Apprenticeships for 16-18 years old
    - Adult Safeguarded Learning
    - Discretionary Learner Support
    - Additional Learning Support
  - The next steps to issuing the confirmed allocations in March 2012.
1. The Investment Table, found on page three of the Skills Investment Statement, sets out the investment the Department for Business, Innovation and Skills will make in both the 2012-13 and 2013-14 financial years. (To determine the budget for all allocations, the financial year budgets have been converted into an academic year budget for 2012/13).

### **Adult Skills Budget (ASB)**

2. This Agency published the first [Technical Briefing Note](#) on 2012/13 Allocations on 16 December 2011. The Note described the Agency's approach to calculating the initial baseline for the ASB.
3. The second edition of the initial funding statements published alongside this briefing note continues to apply the methodology described in December and so there will be minimal change to the initial ASB allocations. Where change has occurred this is due to the redistribution of funds following some provider reconfiguration/change.

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4. It should be noted that values issued in the initial funding statements are subject to change. For providers paid on profile, any change will be as a result of a review of the mid-year estimate returns; for those paid on actual, any change will be as a result of the outcome of the Quarter 2 Performance Management process.

### **Apprenticeships for 16-18 years old**

5. The [Young People's Learning Agency \(YPLA\) 16-19 Funding Statement](#) published in December 2011 set out the 16-18 Apprenticeship budget for the financial year 2012-13. The financial year budget is £833m which is an increase of £54m from the 2011-12 financial year.
6. The Agency has agreed with the National Apprenticeship Service (NAS) the methodology for allocating this budget for the 2012/13 contracting year.
7. All providers delivering Apprenticeships for 16-18 year olds are paid on a monthly basis using actual delivery data from the Individualised Learning Record (ILR).
8. The Agency will use the post quarter 1 Maximum Contract Values (MCV) as the baseline for the initial allocations for 2012/13.
9. For the initial allocations, these baselines are multiplied by a national factor of 105.6% to ensure that provider level allocations remain within budget, but reflect the overall increase in the 16-18 Apprenticeship budget.
10. Final allocations will be updated 30 March and will use the MCV following the quarter 2 Performance Management as the baseline.
11. Providers should note that alongside the final 16-18 Apprenticeship allocation planned learner numbers (starts) will also be confirmed. Providers will need to inform their Relationship Team of their planned volumes before final allocations. More information on the timeline and process for this will be provided in February via Update.

### **Adult Safeguarded Learning (ASL)**

12. The budget for 2012/13 remains at the 2011/12 value of £210m.
13. To provide stability and limit change in 2012/13 the Agency has maintained the provider level allocations values using the 2011/12 values as the baseline.
14. The Agency will take into account 2010/11 outturn when issuing final allocations. This ensures that we reflect provider performance for 2012/13 allocations.

### **Discretionary Learner Support**

15. The Skills Investment Strategy in 2010 signalled the creation of a new enhanced Discretionary Learner Support Fund combining the current

Discretionary Fund, Adult Learning Grant and the Residential Support Scheme.

16. The Agency will use 2011/12 allocation levels of £100.8m as the baseline for 2012/13 initial allocations. This minimises further change in advance of funding simplification in 2013/14.
17. This means that the Residential Support Scheme (RSS) aspect is not included in the initial allocation sent out on 27 January. However we expect to be able to confirm the RSS element of the 2012/13 allocation in advance of 30 March 2012.
18. The final DLS allocations for 2012/13 will include the new Residential Access Fund. This fund effectively combines the existing Residential Bursary Fund (within the existing DLS scheme) and the RSS (previously separate to DLS).
19. The Agency will use the in-year DLS returns to inform the baseline for final allocations for 30 March 2012.

### **Additional Learning Support (ALS)**

20. The ALS budget used for 2011/12 final allocations of £113.5m will be retained as the ALS budget for the 2012/13 allocations.
21. For final allocations on 30 March the Agency will take account of in-year performance using the 2011/12 Mid-year estimate data.

### **Final Allocations Timetable**

22. The Agency will issue final funding statements for all budget lines for 2012/13 on the 30 March 2012.
23. All colleges and training providers must have passed the appropriate due diligence checks and be on the Agency's Register of Training Providers to receive a final allocation and a subsequent contract.

**Date created** 27 January 2012  
**Publication no.** SkillsFundingAgency-P-120015  
**Version** 1.0

NOT PROTECTIVELY MARKED