

Local Authority and Association of Learning Providers Foundation Learning Events - Key Points of Clarification

What is Foundation Learning?

Foundation Learning (FL) is a national programme of learning for 14 to 19 year olds predominantly at entry level or level 1. Learners follow personalised programmes, accredited through qualifications, designed to support young people to participate, achieve and progress to positive destinations, thereby taking a step towards maximising their potential.

What must a personalised learning programme include?

Programmes will include learning provision, to be accredited through an appropriate mix of qualifications, covering the three strands of vocational/subject learning; functional skills and personal and social development (PSD) based on the learner's own attributes, aspirations and abilities as established during initial assessment.

Individual elements may be omitted after positive consideration e.g. a learner who has the necessary IT skills to progress onto their chosen positive destination would not need to take an ICT functional skill. Elements can also be combined e.g. some employability qualifications cover vocational and PSD learning; also, when a learner working at the start of an entry level 1 qualification does a personal progress qualification covering all three strands.

What qualifications can be delivered?

Providers can deliver any qualification that is valid for funding on the Learning Aims Database at entry level and level 1 with the exception of Key Skills. In addition this can include some aims at level 2, if appropriate to the learner. When planning programmes providers should consider the purpose of FL and ensure that the qualifications delivered will lead to progression i.e. it would not be acceptable to deliver a level 1 qualification that has no logical progression route.

In choosing qualifications, providers should consider the particular benefits of QCF qualifications for many learners in Foundation Learning (which includes what previously would have been 'pre-entry' or unaccredited provision). The QCF gives greater flexibility to recognise achievements at different levels and opportunities for learners to move from smaller to larger qualifications. For further information see the short LSIS guide on using the QCF to engage and motivate learners <http://www.excellencegateway.org.uk/page.aspx?o=297740>

How is a provider's allocation constructed?

The 10/11 allocation was calculated by taking the SLNs in the 09/10 allocation and dividing it by the SLNs used per learner in 08/09 (the latest year available) to generate the number of learners required. This gives a fairer

distribution of SLNs per learner. There has also been an uplift to SLNs for those ex-E2E providers that had an SLN per learner ratio below the average of 0.67 SLN per learner. There has then been local negotiation based on local need and provider capacity. The final allocation uses the national funding formula of $SLN \times National\ Funding\ Rate \times Provider\ Factor + Additional\ Learning\ Support$.

What assumptions have been made about success rates in the provider factor?

For providers that have previously delivered mostly E2E a standard assumption has been used. This is a success rate of 76% this has been used because it is the average success rate for Further Education. In the provider factor this is converted to a success factor by taking the mid point between the success rate and 100%. This gives a success factor of 88% which means the provider would receive 88% of the funding rate per SLN. In essence this means a provider whose success rate is below 76% will in future have a lower provider factor and subsequently less funding in future years (it will have no impact in the current year). The success rate for colleges is that for its entire 16-18 learner responsive provision.

Success rates and their impact on future funding should not however discourage providers from recruiting disadvantaged young people who may need more support, given how the disadvantage uplift and additional learning support will allocate additional funds for disadvantaged learners and those with low attainment in maths and English in future years.

What exactly must a provider deliver to earn their full contract value in 2010/11?

For 2010/11 grant funded learner responsive providers will be paid on profile and the value of the allocation will not normally change during the year. This also applies to contract funded providers, however where the provider is not on track to deliver the required number of learner places, there will be a mid year adjustment to the contract. This means that in February we will look at the number of learners the provider has had on the programme in total over the previous 12 months and use this as an all year estimate. If the estimate is at least the minimum (***proposed to be 95%, but not yet confirmed, this assumption is used throughout these examples***) of the agreed number of learners for 2010/11 then the contract will stay as it is. If the provider is forecast to deliver less than 95% of the agreed number of learners then there will be an adjustment to remove the surplus learner numbers and the associated funding. The funding that needs to be paid back will be recovered by reducing the profile payments for the remaining six months of the year. Providers can not compensate for under delivery of learner numbers by delivering more SLNs (by for example delivering broader programmes to a smaller number of learners) This will be repeated at the year end using final learner numbers. There will be no upward adjustments. An example:

- provider has a contract for 100 learners and a contract value of £100,000 (£1,000 per learner) and 70 SLNs (£1,142.57 per SLN).
- as at 31st January 2011 they delivered 90 learners (calculated by taking the carry in as at 1st February 2010 plus starts between 1st February 2010 and 31st January 2011)
- the reduction would be the value of 10 learners (10 x £1,000) = £10,000.
- The allocation would therefore be reduced to £90,000.
- The number of SLNs delivered in year does not affect the adjustment but will impact on the following year.

How does delivery this year impact on future allocations?

Providers will need to consider this in three equally important ways, each is explained below.

Learner numbers – Using the same full year estimate as calculated for the mid year adjustments (see above) the YPLA will assume that providers will deliver the same number of learners in the next academic year (August to July) as you have in the last 12 months (February to January). Therefore in the example above the provider's allocation for the next academic year will be 90 learners. If the full year estimate was 110 learners then the allocated learner numbers for the following year will be 110. This is in addition to the in year adjustment described in the question above.

Number of SLNs – Although the number of SLNs delivered will not impact on funding in year the YPLA will only continue to fund the amount of learning actually delivered previously by providers. Therefore the provider should aim to deliver the number of SLNs in its 2010/11 contract. To continue the example, let's say:

- the 2010/11 allocation of 100 learners was based 0.7 SLN per learner, meaning the provider must deliver 70 SLNs
- the provider actually delivers 60 SLNs
- the allocation for the following year would then be based on 0.6 SLN per learner and not 0.7 SLN per learner
- the next years allocation would be calculated as 100 learners x 0.6 SLN = 60 SLN. Therefore the contract would be based on 60 SLN not 70
- the allocated funding would be reduced to 60 SLNs x £1,142.57 per SLN = £85,714 and not £100,000.

Individual Learner characteristics and achievements – The provider factor contains a number of factors all of which have an impact on future funding. That is:

- The more disadvantaged people a provider recruits the higher their provider factor
- The higher the programme weighting for individual qualifications the higher the provider factor

- The higher the qualification success rate the higher the provider factor
- In addition the lower the learner's prior attainment in English and maths the higher a provider's future Additional Learning Support (ALS) allocation will be.

How does a provider generate SLNs?

Providers generate SLNs by delivering qualifications, weekly funded learning, non-externally accredited learning and through learners qualifying for entitlement funding. FL is a flexible individually tailored programme and the size of learner's programmes will necessarily differ. Therefore the number of SLNs delivered will also differ between learners.

When does a provider need local authority approval?

Providers no longer require local authority approval to exceed the 10% level of SLNs for weekly funding or to deliver non-externally accredited learning. That said ex-E2E providers should bear in mind that local authorities are the single most important stakeholder in FL because the Director of Children's Services has overall responsibility for reducing the number of young people not in education, training or employment. The local authority will therefore want to satisfy itself that the programme is meeting the needs of young people, therefore where these two flexibilities are being used providers are advised to gain the support of their local authority. To re-enforce this role YPLA (or other funding body) auditors will regard written support from the local authority as sufficient evidence that these flexibilities are being deployed appropriately, without this support auditors may question how the provider has used these flexibilities.

How is the quality of the programme assessed?

Against the three criteria in its purpose:

- Participation – the local authority and providers working in partnership to reduce the number of young people not in employment, education or training.
- Attainment – through the qualification success rate (providers should assume this WILL include Functional Skills) – standard Minimum Levels of Performance apply
- Progression – through the percentage of learners who go into a positive destination for a minimum of 4 weeks on leaving the programme.

Kevin Street
Head of Funding Development
Young Peoples Learning Agency
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