

**ypla** Funding Formula

The 2010/11 funding formula is applied to each **learning aim** taken by a learner:

Funding	=	SLN	X	National Rate £	X	Provider Factor					ALS £	
						Programme Weighting	Disadvantage uplift	Area Cost Uplift	Short Programme Modifier	Success Factor		

**ypla** 16-18 Model

- Strategic commissioning.
- Paid on profile.
- Incentive is strong on participation and success.
- Common 16-18 funding system for schools and colleges (but not common rates).
- Small number of adult learners with Learning Difficulty Assessments (LDA) aged 19-24 and with high ALS (>£5,500) costs funded by YPLA – these are funded using the Adult learner responsive funding model.

**ypla** YPLA Funding Guidance 2010/11

YPLA Funding Guidance 2010/11 is being initially published as the following separate documents, listed in order of expected publication:

- Funding Rates and Formula
- Learner Eligibility Guidance #
- Funding Regulations
- Additional Learning Support
- Funding Returns\*
- Funding Allocations\*
- Partnership Provision Controls Guidance

# joint publication with Skills Funding Agency  
\* maybe merged into a single book

**ypla** YPLA Funding Guidance 2010/11

YPLA Funding Guidance 2010/11 is being initially published as separate individual documents as shown in previous slide.

These will only be published on YPLA website during 2010/11 and will be updated as necessary during the year. They will not be printed and distributed by the YPLA.

It is also intended later in 2010, after each individual book published to collate them into a single book called Funding Guidance and each section will be identical to an individual book. This may assist readers who need the whole Funding Guidance but the individual books will also remain available on the website as many readers and users only need access to one or two of the individual books.

**ypla**  
Young People's Learning Agency

# Standard Learner Numbers (SLN)

Championing Young People's Learning

- ypla**  
Young People's Learning Agency
- ## SLN
- SLN (Standard Learner Number) is a measure of the volume of activity associated with a qualification, learning aim, learner, contract, allocation, or any other set of training or education.
  - Whilst SLN gives a robust measure of volume of learning, the relative cost of that learning must also be taken into account by the funding formula. The Provider Factor (and component Provider Factor Weightings) is the measure that reflects the relative cost of provision.
  - The SLN Values of individual learning aims will either be:
    - Listed i.e. a fixed rate; or
    - Unlisted i.e. a variable rate dependant on the number of glh delivered.
- Championing Young People's Learning

- ypla**  
Young People's Learning Agency
- ## Annual SLN
- Annual SLN is the measure used directly in the funding calculations for the purposes of calculating actuals at learning aim level for 16-18 funding model (and also in Adult Learner Responsive Models).
  - Annual SLN is derived from the SLN Value by application of the SLN section of the funding calculations, which then distributes the SLN Value across the funding years.
- An annual SLN Cap at 1.75 (2010/11) is applied when calculating the SLN value:
- Total SLN = glh/450 (Maximum annual SLN value is 1.75 per learner per year)**
- Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Example of SLN values (1)

A learner starts a 1 year AS level on the 10<sup>th</sup> January 2010 and finishes on the 15<sup>th</sup> December 2010. How much SLN is paid in each year?

1. On the LAD, find the SLN Value - this can be found on the tab for each relevant funding model and year in the LAD (here 2009/10 and 2010/11). For this course the SLN Value = 150 GLH.
2. To calculate the SLN Value for a qualification:

Total SLN Value =  $\frac{\text{GLH}}{1 \text{ SLN}}$

Total SLN Value =  $\frac{150}{450} = 0.333$  (3 dp)

Therefore, 1 AS level learning aim is worth 0.333 SLN

Championing Young People's Learning

- ypla**  
Young People's Learning Agency
- ## Example SLN values (2)
- For each qualification:
3. Does the programme cross a funding year?  
Yes – then split the programme by funding year so:
- Funding Year:**  
1st Aug – 31st July
- For 2009/10: 10<sup>th</sup> Jan – 31<sup>st</sup> July  
For 2010/11: 1<sup>st</sup> Aug – 18<sup>th</sup> Dec
4. Then count the days in each funding year:
- For 2009/10: 10<sup>th</sup> Jan – 31<sup>st</sup> July = 203 days (29 weeks)  
For 2010/11: 1<sup>st</sup> Aug – 18<sup>th</sup> Dec = 140 days (20 weeks)

Total days = 203 + 140 = 343
- Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Example SLN values (3)

Formula for calculating proportion for each individual funding year:

SLN per funding year =  $\frac{\text{Year } z^* \text{ day count}}{\text{Total day count}} \times \text{SLN Value}$

\* Where z is a different year for each calculation.

The SLN values for 2009/10 and 2010/11 are on next slide (step 5).

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

### Example SLN values (4)

For 2009/10, Annual SLN is:

$$\frac{2009/10 \text{ day count}}{\text{total day count}} \times \text{SLN Value}$$

Annual SLN (2009/10) =  $\frac{203}{343} \times 0.333 = 0.197$  (3 dp)

For 2010/11, Annual SLN is:

$$\frac{2010/11 \text{ day count}}{\text{total day count}} \times \text{SLN Value}$$

Annual SLN (2010/11) =  $\frac{140}{343} \times 0.333 = 0.136$  (3 dp)

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

### Example SLN values (5)

6. How much SLN is paid in each year?  
In 2009/10 = 0.197      In 2010/11 = 0.136

If the learner had taken 3 AS levels in the 1 year instead of one, then:

All AS Levels have the same SLN gth on the LAD – 150

- Therefore the SLN paid each year is multiplied by 3:

- In 2009 (0.197\*3) = 0.592
- In 2010 (0.136\*3) = 0.408
- = 1.000

This example assumes the dates of each AS level are the same.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

### Start criteria for learners

- Annual SLN will be counted when a learner is deemed to have started.
- A learner is deemed to have started a learning aim once they have remained on that learning aim for the period of time defined in the table below.

Learning Aim Length in year	Start Period
>= 24 weeks (long course)	8 weeks
2 to 24 weeks	2 weeks
<2 weeks	1 learning engagement

- For learning aims that span more than one academic year, starts are determined separately for each year, in line with the approach of calculating an Annual SLN value separately for each year.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

### Start and Withdrawal Learner Responsive Model

A learner is considered to have withdrawn from a programme of study if they:

- are known to have withdrawn or
- have not attended class for 4 continuous weeks.

The withdrawal date is the last date of actual attendance recorded in the ILR.

If a learner has withdrawn from a programme before the start qualification period they do not generate any Annual SLN in that year.

For more information, see *Funding Regulations 2010/11 Annex B*.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## National Rate & Fee Remission

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

### National Rate

- The YPLA will calculate the national funding rate each year taking into account their financial affordability.
- The YPLA national rates for 2010/11 are:
  - For school sixth forms **£3,007**
  - For all other providers **£2,920**
- For high cost ALS learners (>£5,500) aged 19-24 starting new programmes funded by the YPLA their national rate for 2010/11 is the Skills Funding Agency adult learner responsive funding national rate of **£2,732**.

For further information see document *Funding Rates and Formula*

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

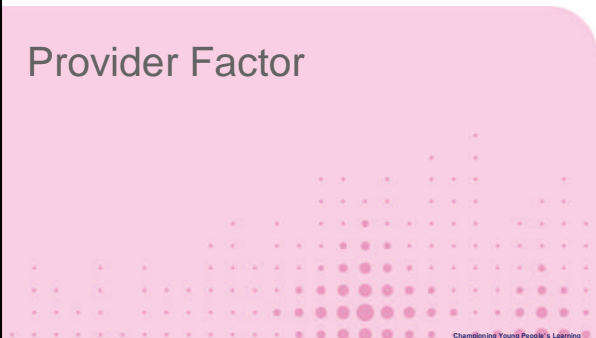
## Fee Remission

- All 16-18 funded YPLA learners are eligible for full fee remission.
- For these learners the YPLA pays the full funding value.
- For YPLA 19-24 learners with a learning Difficulty Assessment (LDA) and high cost ALS needs (costs exceed £5,500) fee remission eligibility is assessed:
  - either under LEG Section 4 and in particular paragraph 102; or
  - learners completing programmes started whilst funded as 16-18 learners are automatically eligible for fee remission to complete the programme (but these learners they must be assessed under paragraph 102 for fee remission for any new programmes started after they have attained the age of 19 on 31 August 2010).

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Provider Factor



Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Provider Factor

- The Provider Factor is the measure that reflects the relative costs involved in delivering provision.
- Provider Factor Weightings are the elements of the provider factor applied at individual learning aim level.
- The Provider Factor is a single figure that can be expressed as composite parts.
- The Provider Factor is used in determining the actual out-turn funding values calculated from ILR or School census data returns.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Provider Factor

- The Provider Factor includes the following drivers of relative cost:
  - Programme Weighting Factor (PWF)
  - Disadvantage Uplift
  - Area Costs Uplift
  - Success Factor
  - Short Programme Modifier
  - Care Standards
  - (long term residential colleges have an additional uplift)

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Programme Weighting

- The programme weighting factor (PWF) reflects the fact that the cost of delivering learning aims of a similar length can vary.
- There are seven PWFs in 2010/11:

Learner Responsive

- A (1.0)
- B (1.12)
- C (1.3)
- D (1.6)
- E (1.72)
- F (1.4) – Basic Skills
- G (1.92) – Specialist Resource only

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Disadvantage Uplift

The disadvantage uplift:

- supports the policy and the costs of widening participation;
- is calculated using the learner's home post code and other specified categories;
- increases funding for learners living in the most deprived super output areas (using IMD 2004);
- ranges from 8 to 32 per cent;
- YPLA uses IMD 2004.

Championing Young People's Learning

**ypia**  
Young People's Learning Agency

## Area Cost Uplift

The area costs uplift:

- reflects that the costs of delivering provision in London and surrounding areas is significantly higher;
- is usually determined by the location of the provider;
- ranges from 20% for Inner London to 1% for West Sussex.

Championing Young People's Learning

**ypia**  
Young People's Learning Agency

## Success Factor

Success factor is (Success Rate / 2) + 0.5

- 0% success rate = 0.5000 success factor
- 50% success rate = 0.7500 success factor
- 100% success rate = 1.0000 success factor

Simple example: College of 2 learners, 2 SLN  
All weightings = 1, Value of SLN funding = £3,000 (for purposes of this example only)

	Scenario 1	Scenario 2	Scenario 3
Learner 1	Withdraws	Achieves	Achieves
Learner 2	Withdraws	Withdraws	Achieves
Total SLN	2	2	2
Success Rate	0%	50%	100%
Success Factor	0.50	0.75	1.00
Funding	£3,000	£4,500	£6,000

Success rates are weighted by glh

- Based on standard FE success rates.
- Weighted using **provider** average glh/SLN for long, short & very short aims.
- Means success rate reflects relative size.

Championing Young People's Learning

**ypia**  
Young People's Learning Agency

## Short Programme Modifier

$$1 + 0.3 \times \frac{(225 - \text{total learner glh})}{225} = (\text{minimum value } 1)$$

- For example:
  - 225 learner glh = 1 short programme modifier
  - 90 learner glh = 1.18 short programme modifier
  - 30 learner glh = 1.26 short programme modifier
  - 9 learner glh = 1.288 short programme modifier
- If the total glh of a learner's entire programme is less than 225, and therefore the in year is also less than 225 glh, the short programme modifier is applied.

Championing Young People's Learning

**ypia**  
Young People's Learning Agency


## Care Standards

- Recognise responsibilities placed on those providers offering residential accommodation for learners under the age of 18.
- Recognises the higher costs associated with complying with the Care Standards Act 2000 (these higher costs apply to young people aged under 18 who are living away from home and where the college is considered "in loc parentis").
- Providers that are registered with Ofsted for inspection under the Act are eligible for this additional weighting in their provider factor.
- Calculated based on the number of eligible learners recorded in the ILR.

Championing Young People's Learning

**ypia**  
Young People's Learning Agency

## SLN: Learner Ratio



Championing Young People's Learning

**ypia**  
Young People's Learning Agency

## SLN / Learner Ratio

- Calculated by dividing number of learners by number of SLN (but subject to the funding cap at 1.75).
- Ratio showing average amount of learning per learner.
- A key allocation funding driver.
- No automatic increases.
- Increases on a case by case basis so as not to consolidate breadth without due consideration.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

# Funding Returns (yet to be included)

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

# Eligibility

(see also companion presentation on Learner Eligibility Guidance (LEG))

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Eligibility – Learners

### Learner Eligibility Guidance (LEG)

- The YPLA has agreed joint Learner Eligibility Guidance (LEG) with the Skills Funding Agency for 2010/11 to simplify as much as possible the bureaucracy burden on providers in establishing learner eligibility.
- To enable learners to progress within education and training without the need for additional eligibility checks.
- For learners, together with providers, to choose a programme for the learner that supports their best education and/or training programme without the influence of differential learner eligibility rules.
- A detailed presentation on companion document LEG is also available from the YPLA website funding page.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Eligibility – Programmes (1)

### Eligible Programmes

The YPLA has published its guidance on programme eligibility in *Funding Regulations* Section 3: Eligibility. This includes:

- Paragraphs 21 – 24 set context and the need for Providers to refer to their usual Funding Body if eligibility is unclear (see next section).
- Paragraphs 24 to 28 set out YPLA main eligibility rules, which expect:
  - that funded learners should be on approved Section 96 qualifications with the funding value of all eligible individual qualifications set in the LAD;
  - some advice on non Section 96 qualifications that maybe eligible for funding.
- Paragraphs 29 to 35 give advice on funding of additional and subsidiary qualifications.
- Learners on aims funded in previous years are funded to complete their programmes regardless of any change in eligibility for new learners.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Eligibility – Programmes (2)

### Ineligible Programmes

Included in *Funding Regulations*: Section 3: Eligibility is advice on programmes ineligible for funding. This includes:

- Paragraphs 38 – 39 set context of ineligible provision and the move from NQF to QCF.
- Paragraph 40 lists provision that is ineligible for YPLA funding; including:
  - non Section 96 qualifications;
  - degrees and other programmes funded by HEFCEE;
  - one day or very short provision (less than 9gh);
  - primary and advanced driving skills;
  - stand-alone learning aims that cover employer statutory;
  - responsibilities and company specific knowledge learning aims.
- Paragraphs 36 and 37 give advice on ineligible additional and subsidiary qualifications and how these are defined.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

# Compliance Advice & Funding Principles

Championing Young People's Learning

## Funding Compliance and Advice

YPLA key funding compliance advice for all involved in recruiting learners and delivering funded provision is set out in *Agency Learner Eligibility Guidance (LEG)*: Section 3.

This advice is published in the shared document with Skills Funding Agency and reflects long standing funding compliance and audit guidance issued by the LSC that was based on the funding audit advice issued by its predecessor organisations including the former FEFC.

For sub-contracted/franchise/partnership provision some additional compliance advice will be issued to remind funded providers that the previous LSC advice on controls over such provision remains both a matter of good practice and relevant in avoidance of funding fraud.

## Key Themes –Funding Principles

Fundamental principles - see *Funding Regulations paragraph 14*

- funding is recorded at standard learner number (SLN) rates that reflect the costs of delivery and ensure that multiple funding for provision does not occur;
- ensure that duplication of provision in a learner's programme of study is avoided and, where this occurs because of an overlap in learning aim content, adjust the funding recorded to reflect the degree of overlap;
- discuss with their funding body what funding should be recorded in circumstances where the calculation of funding to be recorded results in a level of funding that is clearly well in excess of the costs incurred;
- discuss with their funding body what funding should be recorded where providers wish to make provision that is in the best interests of their learners but the standard funding arrangements are viewed as a barrier;
- avoid recording YPLA funding for any part of any learner's programme of study that duplicates that received from any other source, for example funding from either the Skills Funding Agency, Higher Education Funding Council for England (HEFCE) or from any other source;
- only record funding for learners assessed as eligible for YPLA funding as stated in the companion document *Learner Eligibility Guidance*.

## Agency LEG: Section 3: Learner Existence & Eligibility

Compliance evidence of learner existence and eligibility – for all providers.

- Records of learner existence and eligibility:
  - Learning agreements
  - Enrolment forms
  - Registers
  - Withdrawal/transfer forms
  - Achievement.
- Documentation – originals held by colleges not partner providers.

## Funding Regulations: Annex B: Withdrawals in DLF

Guidance is as previously, summarised below.

- Providers are expected to accurately record withdrawals.
- Withdrawals must be very accurately recorded where learners withdrawing before or very near SLN qualifying start periods.
- No termly census points so no funding implications over absolute accuracy of withdrawal dates after start period completed – reasonable accuracy expected by Information Authority, Data Service and all Funding Agencies/Bodies.

## Partnership Controls Guidance (1)

### Eligibility and existence

- Partnership arrangements (franchise, sub-contract, partnership)
  - Priority is:
    - good provision that contributes to targets
    - good controls over partner providers.
- Requirement to provide annual self-declaration of partners including (see Annex 1 (yet to be updated for 2010/11) in *Funding Returns*):
  - Who
  - Type of provision and priority fit
  - Volume and level of funding for out-of-area provision
  - Levels of funding retained (top slicing).

## Partnership Controls Guidance (2)

- Guidance is essentially previous FEFC/LSC controls guidance on franchised provision (previously seen in Section 3 of *LSC Funding Compliance Advice*).
- Guidance and controls must be applied to all partner provider provision.
- Clawback remains for ineligible provision, on a
  - costs basis for plan led funding providers
  - activity basis for non plan-led funding providers.

**ypla**  
Young People's Learning Agency

## Consulting the Funding Body

(not necessarily the YPLA itself)  
- followed by some example Questions & Answers

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Funding Body Consultations (1)

For provision funded by the YPLA Funding Guidance documents, particularly *Funding Regulations* book includes several references to providers consulting their 'funding body'.

**Who is the funding body?** – (Paragraph 5)  
The YPLA usually funds LAs who in turn fund providers to deliver YPLA funded provision. For all YPLA provision where funding is paid by the YPLA to LAs, providers should treat their LAs as their funding body in this guidance. The LAs will for all such providers be the first port of call for any queries on this guidance.

Providers should only directly consult the relevant YPLA office if they are funded directly by the YPLA (those that are will have been notified of the relevant YPLA office).

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Funding Body Consultations (2)

YPLA Funding Guidance documents (all and any books) refer providers at times to the need to consult their funding body (as defined on previous slide) for areas where :

- local flexibility is seen as necessary to support the huge variety of delivery arrangements used in the post 16 sector;
- where exceptional/extenuating circumstances need consideration and approval;
- to ensure that arrangements at one provider that meet the requirement to put the learner first are fundable whilst those that would have quite the reverse affect are refused funding.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Funding Body Consultations (3)

Providers are expected to consult their funding body for:

- Any new or contentious provision for which eligibility is unclear.
- Any provision that falls outside a providers overall agreed provision plan and/or where provider uncertain how the provision is recorded for funding purposes.
- Recruiting learners outside the agreed provider normal recruitment area.
- If provider uncertain that the provision is eligible for YPLA funding.
- If provider uncertain that the learner is eligible for YPLA funding.
- Any uncertainty as to whether either the learners and/or the provision is being funded from another source so any duplicate funding records are avoided.
- If learner progression (and the need to reduce funding where learning aims over lap with either current or previously studied learning aims) is unclear or advice needed by providers to make sure all funding recorded adheres to the Funding Guidance.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Funding Body Consultations (Q & A)

**The following slides give examples in a Question and Answers format of delivery arrangements for which providers may want (written) clarification from their funding body.**

**Q1** A College in Manchester is approached by a learner living in Greta Green seeking funding to attend the college to follow an A level programme. The learner states that his parents both work in Manchester and will transport him to and from college each day.

**A1** The YPLA guidance supports individual learners being able to attend provision outside the provider normal catchment area (including the funding of individual learners from Scotland and Wales). For such learners the funding body is expected to approve individual learners. BUT it is not acceptable for the college to actively recruit in such areas and the college is not expected to be advertising in Scotland for FE learners.

Championing Young People's Learning

**ypla**  
Young People's Learning Agency

## Funding Body Consultations (Q & A)

**Q2** A provider requests permission to deliver some qualifications that are not on Section 96 (and for which the LAD does not hold YPLA funding values)?

**A2** The YPLA expects providers to enrol learners on nationally recognised qualifications that are valid under Section 96. The eligibility guidance within Section 3 of *Funding Regulations* document sets out in paragraphs 25 and 26 some guidance on exceptions for 2010/11 which are intended to support learners for whom alternative qualifications maybe necessary in 2010/11.

Such learners are expected to be the exception and any agreement to fund should be on the basis of either individual or very small numbers of learners. It would NOT be acceptable for a provider to make a request for any significant or material number of learners.

Championing Young People's Learning

## Funding Body Consultations (Q &amp; A)

Q3 The provider asks if the delivery of a functional skill is embedded in the teaching of other qualifications and an estimate of the total delivery of functional skills is 50 glh can a funding claim for 50 glh be made?

A3 The funding being recorded for the functional skill should reflect only the additional teaching time (GLH) needed for the functional skill that is over and above the listed glh value of the programmes in which the delivery is embedded. For example a learner doing a science AS level but also attending a functional skill in Maths may attend combined classes of 170 glh and specialist functional skill classes of 15 glh. The unlisted glh value for the functional skill should be recorded as:

$$15 \text{ glh} + (170 - 150) \text{ glh} = 15 + 20 = 35 \text{ glh}$$

The provider must always deduct the listed glh value as this represents the out-turn funding value of the listed programme and this calculation accords with document *Funding Regulations* funding principles (paragraph 14) and example of overlapping content delivery (paragraph 31). In this case the provider is already funded for 15 glh of the functional skill delivery within the Maths AS.

Championing Young People's Learning

## Funding Body Consultations (Q &amp; A)

Q4 A college asks if they can include on their ILR return a school sixth form pupil doing one part of their diploma programme at their college as the school have said they cannot fund the learner as the programme is not taking place in the school?

A4 The learner MUST not be entered on the college ILR as a funded YPLA 16-18 learner. The funding should be recorded on the school census return as that is the home establishment of the learner and the college should contract with the school for the funding of the learner. The college may put the learner on their ILR using code A10 = 81 recording that the learner is otherwise funded by the YPLA.

For such provision, although the school is sub-contracting its delivery it is unlikely that they need to apply the full partnership control advice for partnership provision as the contractor is also a "directly funded" provider (that is a provider directly funded by either a LA or YPLA).

Championing Young People's Learning

## Funding Body Consultations (Q &amp; A)

Q5 Is a learner aged 14 in year 12 at a school sixth form eligible for post 16 YPLA funding?

A5 It depends on the individual learner circumstances.

Yes - if the learner has completed their compulsory education as evidenced by achieving a full level 2 qualification – usually at least 5 Grade C or above GCSEs. Such learners will usually be those who have been jumped a year or more during their compulsory education period and the YPLA would look to support their progression onto full Level 3 programmes.

No – if the learner has had disruptive compulsory education or recently moved to the UK then the LA remains responsible for the cost of the pupils education under their pre-16 education budget. They may send such learners to colleges but the funding for such learners must come from the LA compulsory education budget.

Championing Young People's Learning

YPLA Funding Guidance 2010  
Summer 2010 – v 1.0 June 2010

By Funding Policy Implementation Team

Championing Young People's Learning