

Funding Guidance 2010/11:

ILR Funding Returns

This document includes details of the funding returns required from providers who make learner responsive ILR returns to the Data Service.

This document does not apply to school sixth forms returning school census data.

Of interest to local authorities, providers and other stakeholders involved in managing and delivering YPLA funded provision

Version 1 – published July 2010

Version 2 – published March 2011

Version 2 is now published with final details of the required funding returns from all providers and the final funding reconciliation process for contract providers for 2010/11.

For information

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Version 2 significant changes from Version 1

The following have been amended in Version 2

Paragraphs: 2, 5, 7, 8, 9, 12, 20, 25, 27, 28 and 29. **Table:** 1

Annexes **A** (paragraphs 9, 15-19); **D** (addition to Table D1); **E** (Part 2);
F – contains additional updated advice on the LIS Funding Claim Report.

Executive Summary

This document is being issued by the Young People's Learning Agency (YPLA) to advise on the ILR funding returns that apply to all YPLA learner responsive funding providers who make ILR returns. The document references other YPLA Funding Guidance documents for 2010/11. The document uses the generic term Agency where references may be to either the YPLA or the Skills Funding Agency or the Information Authority or the Data Service. This term also recognises the fact that all ILR (LR0x) data returns are to the Data Service which is part of the Skills Funding Agency.

Every provider receiving any learner responsive funding is required to return to the YPLA through the Data Service an individual learner responsive (ILR) data return that includes the learner numbers, standard learner numbers (SLN) and the associated generated total funding with reference to the 2010/11 learner responsive funding allocation. This information is set out in Annex B. This funding data is used to support the national funding model that is used to determine future funding allocations.

The current funding methodology has substantially reduced the number of providers that need to make manual adjustments to ILR data and this fact opens up an opportunity to reduce the bureaucracy in learner responsive funding returns. **For 2010/11 the YPLA will use the ILR data for mid-year (LR02) and year-end returns (LR04) as returned to the Data Service. A single signed final claim for 2010/11 that matches the provider final ILR LR05 return is still required from all providers for the reasons set out in Annex A paragraphs 20-22.**

All **necessary returns** should be sent to the YPLA in accordance with the instructions set out in the Annex B 2010/11 Workbook available with this document on the YPLA website from March 2011.

Funding adjustment/reconciliation approaches

Reconciliation of 16–18 learner responsive funding for under performance will not apply for grant-in-aid providers in 2010/11. No funding will be paid for growth or over delivery during the year to any provider. **The funding adjustment approach for YPLA contract providers not delivering their agreed allocation is set out in paragraphs 27 to 29 of this document.**

Status

For action.

Date for action: Table 1 of this booklet provides the deadlines for the various returns required from providers for 2010/11.

ILR Funding Returns

Introduction

1. Every provider receiving any ILR learner responsive funding is required to return to the funding Agency through the Data Service an ILR data return that includes the learner numbers, SLN and the associated generated total funding with reference to the 2010/11 learner responsive funding allocation. This booklet provides advice on how to make YPLA learner responsive funding returns for the academic year 2010/11.
2. **For 2010/11 the YPLA only requires the return of separate individual mid-year and year-end estimates from providers who do NOT make ILR LR02, LR04 or LR05 returns to the Data Service – these will be the few Higher Education Institutions (HEI) that return learner number data through HESA rather than ILR returns. Any provider who fails to meet the Information Authority (IA) deadlines for LR02 and LR04 returns will also need to return a funding estimate and such providers will be identified for funding audit purposes as high-risk providers. For all other providers the YPLA will use the providers LR02 and LR04 data as mid and year-end funding returns.** The final signed claim is still required from all providers for the reasons set out in Annex A paragraphs 20-22.
3. The format of the funding estimate/claim form for 2010/11 is broadly similar to the 2009/10 returns. The Data Service issued a report within the Learner Information Suite (LIS) for 2010/11 to support the required funding claim returns. The estimate/claim forms (in Annex B) will be made available on the YPLA website in the form of an Excel workbook later this year. Mid-year and year-end estimates from providers not making ILR returns do not require a signature and may be returned in the simple electronic format. All providers' final claim returns must be appropriately signed as they form part of the YPLA's assurance arrangements to the National Audit Office (NAO) and will be used by the YPLA in monitoring performance by providers for 2010/11.
4. For providers with returns subject to audit, a relevant individualised learner record (ILR) funding auditor report may also be required with their return(s). In most cases the funding auditor will be appointed and contracted by the Skills Funding Agency. The required returns and the timetable for them are set out in Table 1. Table 2 explains the contents of the various annexes in this booklet.
5. The estimate/claim forms and audit opinions should be returned to the relevant Agency in accordance with the timetable agreed between the provider, its funding auditors and the YPLA. The YPLA welcomes early returns, but any agreed timetable **must comply with the deadline for all returns set out in this booklet. HEI not returning ILR LR02 will be sent the mid-year estimate workbook for return to the YPLA funding claim in-box.**
6. In order to meet the returns timetable set out in Table 1, providers must ensure that their funding claims and ILR data are shared with auditors

in time for them to be able to meet the return timetable. Funding auditors have requested that final data should be shared with them at least one month before the final claim is due, that is by **21 October 2011**.

Deadlines for returns

Table 1: Deadlines for returns

Funding model (all types of provider)	Deadlines for returns*
<p>ILR LR02 (2010/11) or Annex B: Mid-year estimate</p>	<p>14 February 2011 (LR02 latest return date) (only expected from HEI not making ILR returns)</p>
<p>Contract Providers Only LIS Funding Claim Report 2010/11 as run against individual provider provisional ILR LR04 data. An Annex B is NOT required to accompany the LIS report.</p>	<p>Contract Providers Only Between 1 and 20 June 2011 These will be used by the YPLA to calculate the scale of any final clawback to inform discussion with contract providers and assist with YPLA internal budgeting as the mid-year estimate return has been dropped for this year.</p>
<p>ILR LR04 (2010/11) or Annex B: Year-end estimate</p>	<p>5 September 2011 (LR04 latest return date) (only expected from HEI not making ILR returns; or Contract Providers subject to funding reconciliation making any manual adjustments to LR04 data)</p>
<p>All Providers Annex B: Final claim; and ILR LR05 (2010/11) All ALS cost forms in excess of £19,000 – see paragraph 34.</p>	<p>All Providers 21 November 2011 (also LR05 return date) The claim value must match final ILR LR05 return and claim must be signed by Head of Institution (see Annex A paragraphs 20-22).</p>
<p>Annex C: Final audit report</p>	<p>As specified by the YPLA on an individual provider basis. Where requested, all audit reports on individual funding claim returns must meet the claim return deadlines set out above.</p>

Table 2: Explanatory annexes in this booklet

Annex	Description	Applies to
A	Guidance for Completing Forms: ILR Funding Estimate/Claim 2010/11	All providers
B	ILR Funding Estimate/Claim 2010/11 (Mid-year Estimate/Year-end Estimate/Final Claim): All Providers	All providers
C	Audit Report on Learner Data Final Returns 2010/11	All relevant providers
D	Calculation of any Adjustment of Funding for 2010/11	Contract 16–18 learner responsive providers
E	Reconciliation Statement for 2010/11: All Providers	All providers
F	Example of a LIS Learner responsive Funding Claim Report 2010/11: All Providers	All providers
G	Manual Adjustments 2010/11: All Providers	All providers

7. **For 2010/11 the YPLA is removing the requirement for those providers making ILR data returns LR02 and LR04 to return individual mid-year and year-end estimates.**
8. The YPLA will use the ILR LR02 return as the provider mid-year estimate for 2010/11 and will also take into account the projected learner numbers used for the 2011/12 allocations. Contract Providers (all providers that are subject to funding reconciliation in 2010/11) are being asked in 2010/11 to return the LIS Funding Claim report in June 2011 run against their provisional ILR F04 data. This will enable the YPLA to determine which individual contract providers should face a clawback of funds for underperformance when the final claims for 2010/11 are received in November 2011. This should assist in an early dialogue between YPLA Regional Offices and those contract providers with a significant delivery shortfall in 2010/11.
9. **All returned Final Funding Claims must be accompanied by a matching copy of the relevant LIS Funding Claim Report.**

Agency contracted funding audits

10. For 2010/11, funding auditors appointed by the Skills Funding Agency are asked to use the audit opinion supplied to them by the Skills Funding Agency under their funding audit contract.

Provider contracted funding audits

11. For 2010/11, all providers contracting their own funding auditors are asked to use the audit opinion in Annex C for the final claim.

Delays in Timing of Returns: All Providers

12. Any provider subject to a funding audit of their final funding claim as notified by the YPLA (this includes all funding audits undertaken at providers by the Skills Funding Agency appointed auditor under the agreed joint contract with the YPLA) and all funding auditors are

reminded that the return should be provided to ILR auditors by no later than **21 October 2011** and the return is due to the YPLA by no later than **21 November 2011**. If providers or funding auditors anticipate that this return will not be received by 21 November 2011, a letter explaining the reasons for the delay, the action to be taken and a firm promise date for submission should be sent to the YPLA before the expected return date.

Arrangements

All providers

13. All providers making ILR funding returns for 2010/11 should use Annex B. In order to assist in completing the forms, the Data Service has provided within the Learner Information Suite (LIS) a Funding Claim Report for 2010/11. All providers are asked to send a copy of this report with any estimates/claims. An example of this report is shown in Annex F. The YPLA will issue an estimated reconciliation statement to providers after ILR LR04 data has been processed in September 2011. Similarly, final reconciliation statements will be issued after the receipt of final claim and data returns. FE colleges and their financial statement auditors will be able to use these documents to assist in completing the college's financial statements. These statements will confirm any change to allocations and/or retrospective clawback for any providers. Guidance on completing the forms can be found at Annex A.
14. Providers are reminded that all ILR data should be sent via the web portal to the Data Service. The ILR LR02 will be used as a mid-year return and ILR LR04 as a year-end return. The final ILR LR05 return must form the basis of all 2010/11 final funding claims.
15. The YPLA expects funding claims for 2010/11 to use the latest available version 18 of the LIS and, for final claims for 2010/11, the Learning Aim Database (LAD) dated 1 October 2011 or later. Final claims that use any LAD version dated from 1 October 2011 to 21 November 2011 will be valid, as no changes to existing records in the LAD for 2010/11 are expected between these dates. It is, however, possible that new records for 2010/11 may be added after 1 October 2011, where a permanent code has been requested. No version of LAD after 21 November 2011 may be used for any 2010/11 final funding claims. Providers reviewing their funding position during the year should use the latest possible LAD in calculating their own funding out-turn figures.
16. The YPLA expects the funding generated from ILR LR05 to be consistent with the final funding claim, after taking account of manual adjustments. Providers are reminded of the need to run any relevant Agency funding compliance and eligibility data self-assessment toolkit (DSAT) reports to verify their own ILR data during the year. Providers will find advice on manual adjustments that are acceptable to the YPLA published in Annex G of this booklet. Annex G may also be updated on the YPLA website after publication of this booklet to include any manual adjustments agreed after initial publication.

17. Providers are requested to use their unique provider identification number (UPIN) as their Agency code on returns for 2010/11.

Providers with returns subject to funding audit or assurance in 2010/11

18. Providers should be aware that, if funding auditors qualify their claims, the Agency is likely to require further work by the provider and its funding auditor on the claim. These providers should pass the final claim to their funding auditor and ask them to send it to the YPLA with their report on the audit of the 2010/11 final funding claim and supporting data for 2010/11.

Funding Audit Opinions

19. The YPLA final audit opinion for 2010/11 is similar to previous final funding audit opinion. The emphasis remains on the importance of the accuracy of all provider funding claims. The funding audit opinion for final returns requires funding auditors signing off the final audit opinion after the due date to attach a report identifying the causes for delay. This will mean that any funding audit opinions submitted after that date will not enable the YPLA to record the college or other provider as submitting timely data returns. The final claim data must be available in good time to sign off college financial accounts, due no later than 31 December 2011. The Agency funding audit report for its own contracted funding auditors will be similar in nature to Annex C but the exact wording will reflect the contract agreed between the Agency and the appointed audit firm.
20. Providers are reminded that they **must** run relevant ILR funding audit DSAT reports to verify their own data during the year. For providers wishing to simplify their ILR funding audit, it is recommended that the reports are run and cleared prior to any substantive visits from the funding auditor.
21. The National Audit Office (NAO) and the relevant Government Departments will be closely monitoring the Agency over the timeliness of returns and it is essential that all providers meet the return deadlines.

Adjustments to Payments

22. Reconciliation of 16–18 learner responsive funding for under performance will not apply for the majority of providers in 2010/11. This should mean no mid-year or retrospective reconciliation funding adjustments for grant-in-aid providers.
23. The YPLA will not fund any growth for providers delivering more than their learner responsive funding allocation.
24. For the purposes of calculating payments to providers, the YPLA will calculate the performance of each institution in 2010/11 as described in this booklet and in the other *Funding Guidance 2010/11* booklets and, in particular, by comparing the institution's learner number and funding totals with their learner number and the funded cash in the provider's funding allocation and agreement.

25. Providers will be sent reconciliation statements based on funding claim returns in the autumn 2011 in accordance with the return timetable set out in Table 1. Where necessary (usually only contract providers), any final underperformance (clawback) adjustments will be profiled for recovery in the 2011/12 funding year and within the YPLA financial year ending March 2012.
26. Where providers submit their final funding claim by 21 November 2011, any necessary recovery of payments will be based on that return, and this data will replace any previously notified interim data. The final adjustment of funds for underperformance in 2010/11 will usually be determined using ILR LR05, the final funding claim 2010/11 (taking account of any audit qualifications) and, in exceptional circumstances, the results of any separate audit or Agency investigation.
27. For contract providers delivering 16–18 learner responsive funding adjustments for underperformance will still apply. Under existing Treasury rules all final claim clawback is returned to the Department as “unspent funding” whilst in-year allocation adjustments affect the YPLA allocation budget. For this reason it is important that under delivery is identified as early as possible so unused allocation funding can be properly redirected. Taking into account the programme delivery changes between 2009/10 and 2010/11, the YPLA has dropped the mid-year funding estimate as the YPLA has no comparison data to assist contract providers in making these estimates or data that the YPLA could use to easily validate the figures. To offset this, the YPLA is asking contract providers to return a Funding Claim Report in June 2011 based on early LR04 data.
28. Any grant-in-aid providers exceptionally deemed by the YPLA as subject to a reconciliation of their allocations are subject to the same funding adjustment rules as contract providers. Such providers will have been separately informed of this decision by the YPLA.
29. Learner numbers are the key indicator of performance and have a direct effect on both the current year’s performance and future allocation. **Annex E now includes some examples of reconciliation based on the rules set out below.** The principles of contract provider funding adjustment and final reconciliation for 2010/11 are now confirmed as :
 - In-year payments are made on profile as is planned for the 16-18 learner responsive model;
 - in-year delivery of learner numbers (and thereby cash) is reviewed during the year and where delivery falls below an agreed tolerance, action is taken to adjust the profile for the remainder of the year;
 - all final full year funding variances (both in terms of learner numbers and cash) are calculated by comparing each individual provider total whole year delivery with their final funding allocation as paid for the year (subject to the following bullet point);

- that providers whose funding contract is subject to regional schedules will be reconciled by comparing total regional delivery with the regional allocation paid for the year
- for the purposes of all final reconciliation calculations the YPLA will moderate the reconciliation cash recovery (clawback) for contract providers according to which of the criteria set out below has been met:
 - (i) For providers with funding contracts subject to regional schedules the rules set out below are applied at a regional level.
 - (ii) For providers who have delivered at least 95% of their learner number target a cash tolerance of 10% of the programme allocation will be allowed when comparing total programme cash delivered against the total cash programme allocation. In such cases all the cash not delivered below 90% of the allocation will be recovered as retrospective clawback.
 - (iii) For providers who have not delivered at least 95% of their learner number target a cash tolerance of 5% of the programme allocation will be allowed when comparing total programme cash delivered against the total cash programme allocation. In such cases all the cash not delivered below 95% of the allocation will be recovered as retrospective clawback.
 - (iv) In calculating any final clawback the YPLA will adopt the principle that providers are not significantly disadvantaged at the final reconciliation process because of any reductions to in-year funding. This principle will be built into the national final reconciliation calculation system.

Funding Principles: All Providers

30. Providers are reminded that they are still expected to deliver at least 100 per cent of their funding agreements in every funding year. The YPLA will be reviewing provider performance for previous years with the intention of ensuring that provider allocations are soundly based across funding years. Providers are reminded that tolerance and non-reconciliation of YPLA funding is not designed to reward persistent underperformance.

Additional Learning Support Claims for Learners Where Costs Exceed £19,000 in the Academic Year

31. As stated in the companion document *Additional Learning Support* any (ALS) claim above £19,000 should be referred in advance of delivery to the YPLA for approval in principle. The final claim, based on actual costs incurred during the year, must be submitted to the YPLA within the timetable for the provider's funding claim as stated in Table 1 of this booklet.

Annex A: Guidance for Completing Forms: ILR Funding Estimate/Claim 2010/11

Calculation of Funding

1. Guidance on the calculation of funding for the 2010/11 funding allocation is given in the documents that make up *YPLA Funding Guidance 2010/11*. The funding estimate/claim returns for 2010/11 are attached as Annex B of this booklet. **Providers must read paragraphs 16 to 19 to decide for themselves whether completing any estimate forms is necessary from 2010/11 as the YPLA default position is to simply use the ILR LR02 and LR04 data returned through the Data Service.**
2. In order to assist in completing the forms, the Data Service has provided within the Learner Information Suite (LIS) a Funding Claim Report to match the generated funding to the claim format. Providers are asked to send a copy of this report with their claims. An example of this report is shown in Annex F. If a provider has no claim in a category, an entry of '0' (zero) must be recorded.

Completing the Forms

3. The YPLA now mainly monitors performance against each type of allocation through ILR data returns as most providers no longer need to make manual adjustments to their final ILR LR05 funding total.
4. All providers are asked to indicate, using the final claim workbook on the website that matches the Annex B form in this document, the total learner number, SLN and cash that they have delivered for the academic year 2010/11. All estimate/claims for 2010/11 must be returned as set out below.
 - a. Every funding estimate/claim (Annex B) returned to the YPLA must be accompanied by a copy of the matching LIS Funding Claim Report.
 - b. In the estimate/claim return the LIS report values must exactly match the left-hand columns requesting actual ILR data, and all manual adjustments and estimates of future activity being delivered during the year must only be entered in the right-hand side of the return.
 - c. As part of its learner responsive allocation, each provider has a programme and an ALS cash allocation; for each provider the overall ALS cash allocation is then divided by the provider overall SLN allocation to calculate a provider ALS per SLN figure. In the estimate/claim forms the following data should be entered into the ALS rows:
 - Total ALS row – the value shown in this line should be calculated as the out-turn SLN value multiplied by the allocation ALS per SLN figure. This figure will be shown on the LIS Funding Claim Report, but if any manual adjustments are made to the SLN figure on the funding claim then an ALS manual adjustment should also be entered multiplying the

SLN adjustment by the allocation ALS per SLN figure. No other manual adjustment for ALS should be entered on this line.

- ALS High Value Claims Only – this figure is shown on LIS Funding Claim Report page 3 and is calculated from ILR field L31 and includes all ALS costs entered on the ILR above £5,500. As this figure is calculated on a completely different basis from the total ALS figure, it is not included in any of the totals within the funding claim return. This information should assist both the YPLA and providers in determining appropriate future negotiated ALS allocations.

Manual Adjustments (see Annex G)

5. All providers should provide summary numerical information on the *Funding Diff Form 2010/11* at Annex B, Part 2 relating to manual adjustments for each estimate/claim form. Providers will need to agree these with the YPLA before submitting them on the final claim form.
6. Before contacting the YPLA, providers subject to reconciliation are asked to discuss with their funding auditor instances where they wish to make a manual adjustment for any matter that does not appear in Annex G. They will be given an adjustment number if the manual adjustment is agreed by the YPLA and where necessary with their funding auditor. The YPLA expects funding auditors to pay particular attention to any such manual adjustment requests made by providers.
7. Providers are reminded that they should read the additional advice on the first worksheet in the funding claim workbook with this document on the YPLA website before completing their funding estimate/claim. The rules on manual adjustments in Part 1 and Part 2 of the funding estimate/claim are not the same for cash and learner numbers. The cash adjustments in Parts 1 and 2 should match exactly, while the learner numbers will usually be different.
8. The learner number adjustment rules are set out below.
 - Part 1: Adjust only for learner numbers not recorded on the ILR. It is possible any cash adjustment will not require learner number adjustments as the learner numbers may be correct and are already reflected in the ILR; for example, an audit adjustment to reduce funding per learner.
 - Part 2: Record the number of learners affected by the cash manual adjustment. For example, if 100 learners have their funding reduced at audit, Part 2 will record learners affected as 100 while Part 1 will record 0 (zero) as the learner numbers adjustment.

Learner Information Suite: All Providers

9. The Data Service will provide a version of the LIS, numbered at least 18.01, to help colleges or other providers make their funding estimate/claim returns for 2010/11. If a later version than 18.01 is available on the website at the time of compiling the funding claim, then that most recent version should be used. This will have a suffix number

greater than .01. If the version to be used in final funding claims is not 18.01, the Agency will notify the final version number on its website before the final claim forms are due to be returned. For estimate returns, providers should use the latest version 18 from the website that is current to their own individual return date. **All providers are asked to read Annex F of this updated document in respect of further advice on the LIS Funding Claim Report for 2010/11 and in particular before compiling their LR04 data.**

10. All providers returning ILR data for 2010/11 are asked to use the latest version of the Learning Aim Database (LAD) to calculate their final total of funding (see paragraph 11 of the main body of this booklet). Funding auditors have been asked to use the same versions of the software when checking final funding returns from institutions.
11. For all Agency funding audits the 2010/11 audit of learner numbers is based on their ILR data return.

Declaration on Final Claim: All Providers

12. The principal or head of the institution should sign all final claim forms. In the case of higher education (HE) institutions, the person with equivalent responsibility for further education (FE) in the institution should sign the final claim forms. Providers and funding auditors are reminded that the final claim forms returned by the funding auditor to the YPLA should contain an original signature, not a photocopy or facsimile.
13. The principal or head of the institution is required to certify that, to the best of his or her knowledge, the funding claimed has been calculated from data correctly extracted from the institution's records, which accurately reflect enrolments during 2010/11, in accordance with the guidance and definitions set out in the various documents that make up *Funding Guidance 2010/11* and other relevant guidance.
14. They also certify that, to the best of their knowledge, the final funding claim is free from misstatement, whether caused by fraud or by other irregularity or error, and that it complies with all the relevant guidance provided by the YPLA, including that given in this booklet. This statement is now particularly important for providers not subject to a funding audit as the YPLA has no separate assurance from any independent audit opinion on its funding claim.

Purpose of Mid-year and Year-end Estimates: All Providers

15. For 2010/11 the YPLA will mainly use ILR LR 02 and LR04 data to assist the YPLA in assessing providers' performance against their funding allocations and in managing the overall YPLA budget.
16. For 2010/11 most providers should not need to make year-end estimates as their ILR LR04 data funding totals should be very close to their final out-turn figures and any manual adjustments are not expected to be material to any funding claim. The Agency systems allow claim data to be used directly from timely ILR data returns.
17. Contract providers whose LR04 return excludes any data that has a significant funding value that they expect to make by the time of their

LR05 return may still wish to make a year-end estimate so that any draft clawback figures are as accurate as possible (for example, late enrolments or learner withdrawals within the start rules not yet captured on their ILR LR04).

18. The reconciliation statements issued by the YPLA after processing LR04 data should assist providers in preparing their financial accounts for 2010/11.
19. The following advice is intended to assist providers in determining whether a separate funding claim return is needed for 2010/11:

Separate mid-year estimate unnecessary

- The YPLA is only using LR02 data to identify contract providers in scope for consideration of mid-year allocation adjustments. Each YPLA region will then contact their providers to discuss any appropriate adjustment for providers with projected significant shortfalls in their delivery against their allocation.

Contract Providers only –returning a Funding Claim Report in June 2011

- Contract providers are requested to return the LIS ILR LR04 report from their student record systems to the YPLA funding claim inbox between 1 and 20 June 2011 so the YPLA can assess if any final clawback will be due for 2010/11. This will also enable a review of mid-year allocation adjustments in the light of the final rules set out in paragraph 29 of the main document.

Separate year-end estimate

- These are only expected from contract providers where a significant manual adjustment is required to their ILR LR04 data return.

Purpose of Final Claim: All Providers

20. The purpose of this claim is to provide the YPLA with an assurance statement by the relevant accounting officer over the regularity of the provider's funding claim and ILR data returns. This also enables the YPLA and the provider to have an agreed final out-turn that enables comparison of out-turn to allocation on a provider, regional and national basis. The final claim will also determine for all providers whether any funds paid for 2010/11 will be adjusted for retrospective clawback adjustments. The YPLA expects the overall total of cash claimed to be consistent with any financial provision being made by the provider in its financial statements.
21. The final claim, which includes final ILR adjustments and any manual adjustment, should be signed off as being materially accurate. To assist in making good-quality ILR and funding returns to the Agency, all funding providers **must** also make use of the data self-assessment toolkit (DSAT) reports that are relevant to their own provision and data prior to signing their final claim.
22. As stated in paragraph 26 of the main body of this booklet, any retrospective adjustment of funds will be finally determined using the

final funding claim 2010/11, taking account of any audit qualifications and, in exceptional circumstances, the results of any separate Agency investigation.

Purpose of Agency Funding Auditor's Opinion on a Final Claim: All Providers

23. The purpose of this opinion is to provide the YPLA with supplementary assurance over the funding claimed by providers and for whom the YPLA requires assurance for its own accounts that the funding claimed by them poses no risk to public funds paid to providers by the YPLA. This opinion also provides the YPLA with a final opinion on the provider's funding entitlement for 2010/11 to enable the YPLA to give an assurance to the provider and its financial statements auditor on the expected final funding position for the year 2010/11.

Processing of Funding Returns

24. This information will be published with the funding claim workbook on the YPLA website in January 2011. To assist all providers the example LIS funding claim report shows all learner responsive funding streams in Annex F.

Annex B: ILR Funding Estimate/Claim 2010/11

(* Mid-year Estimate/Year-end Estimate/Final Claim): All Providers

Reference: *ILR Funding Returns* (available from the YPLA website).

**Please delete as appropriate- All providers are requested to use the funding claim workbook 2010/11 available from the website for all returns rather than copying this document. For final claims the workbook should be printed and the declaration signed by the head of the provider.*

Please return this form to the appropriate YPLA office or ILR auditor as advised in this booklet.

All providers receiving funding from the YPLA for 2010/11 are asked to complete and forward this form to their YPLA regional office in accordance with the relevant deadlines set out in Table 1 in the main body of this booklet. For claims requiring external ILR auditor opinions, please forward the claim form to the auditors with a request that they return it in its original form, together with their audit report, to the relevant Agency in accordance with the relevant deadlines set out in Table 1.

Part 1 of funding estimate/claim

Provider name in 2010/11 (*please print*):

Agency unique provider information
number (UPIN) code in 2010/11:

All colleges and other providers are asked to complete this section. The Learner Information Suite (LIS) Funding Claim Report provides the necessary information to assist in completing the form below. All colleges and other providers are asked to send a copy of this report with their funding estimate/claim return.

Purpose of funding claim

The purpose of the final claim is to provide the YPLA with an assurance statement by the relevant accounting officer over the regularity of the provider's funding claim and ILR data returns, as well as being used for providers where reconciliation is appropriate to determine whether any funds paid for 2010/11 will be recovered for underperformance. As stated in paragraph 26 in the main body of this booklet, adjustment of funds will be finally determined using the final funding claim 2010/11, taking account of any audit qualifications and, in exceptional circumstances, the results of any separate Agency investigation.

ILR Funding Returns (*Mid-year Estimate/Year-end Estimate/Final Claim)* 16–18

ILR Funding Estimates/Claims 2010/11 (* Delete as appropriate)					
Provider name:			UPIN code:		
16–18 learner- responsive funding		Category	ILR values	Manual adjustment	Total
A	16–18 learner responsive funding	Funding value (£)			
		SLN			
		Learners			
B	19-24 LLDD funded by YPLA	Funding value (£)			
		SLN			
		Learners			
C	Total ALS (generated from 2010/11 allocation formula; but calculated using out-turn SLN)	Funding value (£)			
D	16-18 - ALS High Value Claims only (calculated from ILR cost data above £5,500 - see page 3 of LIS Funding Claim Report)	Funding value (£)			
E	19-24 LLDD - ALS High Value Claims only (calculated from ILR cost data above £5,500 - see page 3 of LIS Funding Claim Report)	Funding value (£)			
	Total funding (programme and ALS) (A +B + C)	Funding value (£)			
<p>Codes (this part does not appear on claim)</p> <p>Unshaded cells mean data entry needed (figures to be entered from attached LIS Funding Claim Report) together with any appropriate manual adjustments. Shaded cells require sub-totalling or totalling. Please see Annex F for example of LIS claim report.</p>					

The head of the college or other provider (or in the case of higher education (HE) institutions, the person with responsibility for further education (FE) in the institution) must sign the declaration below for all final claims. The YPLA also provides the previous page as a spreadsheet on its website. As the spreadsheet includes automatic totalling, it should aid completion of the form.

Declaration

I certify that, to the best of my knowledge, this final funding claim has been calculated from data correctly extracted from the records of the provider, which accurately reflect enrolments during 2010/11, in accordance with the guidance and definitions set out in the booklets that make up the YPLA *Funding Guidance 2010/11* and any other relevant guidance.

I also certify that, to the best of my knowledge, the final funding claim is free from misstatement, whether caused by fraud or by other irregularity or error, and also complies with the guidance given in the booklets that make up YPLA *Funding Guidance 2010/11*.

The head of the provider must sign below.

Signature (*head of provider*):

Name (*please print*):

Position:

Date:

The final funding claim form (Part 1) and the funding diff form (Part 2) are treated as a single return and must be returned together, either to the YPLA regional office or, where an audit opinion is needed, to the relevant funding auditor office.

The funding claim workbook available on the YPLA website contains more detailed guidance on how to complete Part 1.

Funding Diff Form 2010/11: All Providers

Reference: *ILR Funding Returns 2010/11*

Please return this form to the YPLA.

All providers receiving funding from the YPLA for 2010/11 are asked to complete this form whenever a manual adjustment is being claimed on Part 1 of this form, and to return it with Part 1. All providers should use this form to record the reason(s) for the difference between the funding claim and the cash generated by processing the relevant ILR return through the notified versions of the LIS using the notified release of the LAD, or any updated version. A list of acceptable manual adjustments is included in Annex G.

Part 2 of funding estimate/claim

Type of estimate/claim: (*Mid-year/Year-end/Final)

*Delete as appropriate

Provider name in 2010/11 (*please print*):

Agency unique provider information
number (UPIN) code in 2010/11:

Manual adjustment number (see Annex G of this booklet)	Description	Learners affected (number)	Difference (funding)
Total difference arising from manual adjustments (cash adjustments must match total manual cash adjustment in Part 1)			

Annex C: Audit Report on Final Claim 2010/11

Reference: *ILR Funding Returns*

Please return this form to the YPLA Regional Office.

This form is only for use by Provider-contracted Funding Auditors. Agency-contracted funding auditors should use the opinion supplied under contract by the Agency that will be similar in nature to this Annex.

Funding auditors (usually the financial statements auditors) of other learner responsive providers are requested to photocopy, and then complete and return this form to the YPLA no later than 21 November 2011.

Addressee: YPLA

Name of Agency-funded provider
in 2010/11 (*please print*):

Agency unique provider
information number (UPIN) code
in 2010/11:

The statement of responsibilities and the basis of our opinion apply to all sections of the audit report (all sections should be completed by the institution's external financial statements auditors).

This report is made solely to the YPLA, in accordance with the terms of our engagement. It has been released to the YPLA on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the YPLA's own internal purposes) or in part, without our prior written consent. We acknowledge that the YPLA will disclose this report to the Governing Body of the relevant provider ('the Governing Body' and 'Provider'), to enable the Governing Body to verify that an auditor's report to the YPLA has been commissioned by the YPLA and issued in accordance with the requirements of the YPLA's *Audit Code of Practice*, and to facilitate the discharge by the YPLA of its functions in respect of the provider. During our work referable to this report, we may have communicated with the Governing Body but any such communications will have been made (i) without assuming or accepting any responsibility or accepting any liability to the Governing Body or the provider in respect of our work for the YPLA, and (ii) solely for the purposes of obtaining information relevant to our work for the YPLA and not for the purpose of establishing any form of relationship with the Governing Body or Provider that might give rise to duties and responsibilities in respect of our work for the YPLA being extended to the Governing Body or Provider.

Our work has been undertaken so that we might state to the YPLA those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the YPLA for our work referable to this report, for this report, or for the opinions we have formed.

Statement of responsibilities

The head of the institution certifies that the funding claimed has been calculated from data correctly extracted from the provider's records, which accurately reflect enrolments during 2010/11 in accordance with the guidance and definitions as set out in the booklets that make up YPLA *Funding Guidance 2010/11*, together with other relevant guidance. The funding auditor's responsibility is to form an independent opinion, based on our audit of the total funding claim, and to report our opinion to the YPLA.

Basis of our opinion

We conducted our audit in accordance with the guidelines for institutions and their funding auditors as set out in the booklets that make up YPLA *Funding Guidance 2010/11* (and any relevant auditing advice from the Auditing Practices Board). A funding audit includes examination on a sample-test basis of evidence relevant to the funding claim returned by the institution to the YPLA, and of the Individualised Learner Record (ILR LR05) that supports it. We planned and performed our audit in order to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the total funding claim is free from material misstatement, whether caused by fraud or by other irregularity or error.

Opinion

We have reviewed the entries in the total claim for funding of as shown on attached form ILR (Final) Funding Claim 2010/11 and form Final Funding Diff 2010/11, returned by the above institution, and the Individualised Learner Record ILR LR05 (2010/11) return which supports it, and have carried out a programme of tests on a sample basis that includes those specified in the YPLA's Funding Guidance and in their audit programmes published on the YPLA website.

Part 1

Delete all but one of sub-paragraphs (a) to (e) below.

- a The opinion has been submitted to the YPLA by 21 November 2011, we have no comments on the audit, and . . .
- b The opinion has been submitted to the YPLA after 21 November 2011 (the reasons for the delay in signing are given in the attached report), we have no comments on the audit, and . . .
- c Subject to the comments in the attached report dated (if signed after 21 November 2011 the reasons for the delay in signing are given in the attached report), . . .
- d Subject to the amendments shown in red on the attached copies of returns and/or printouts of ILR records, and subject to the comments in the attached report dated.....
- e As explained in the attached report dated we cannot confirm that . . .

. . . in our opinion, in all material respects, the provider's total final funding claim has been properly compiled in accordance with relevant guidance issued by the YPLA. The relevant guidance is specified in the documents that make up YPLA *Funding Guidance 2010/11*.

An authorised auditor must sign below and provide the relevant details requested.

Signature:

Audit firm (*please print*):

Contact name (*please print*):

Contact telephone number:

Date:

Attachments

	Yes	No	N/A
Original form <i>ILR Funding Estimate/Claim 2010/11</i>	<input type="checkbox"/>	<input type="checkbox"/>	
Original form <i>ILR Funding Diff 2010/11</i>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Learner Information Suite (LIS) Funding Claim Report</i>	<input type="checkbox"/>	<input type="checkbox"/>	
Copy of management letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please ensure that all the above documents are returned (including returns where applicable) and that any amendments to forms, where made by the auditor, are written by hand in red ink on the attached copies.

Management letter

	Yes	No
Issues relevant to this report are included in the financial statements management letter.	<input type="checkbox"/>	<input type="checkbox"/>
Issues relevant to this report are included in a separate management letter and attached to this report.	<input type="checkbox"/>	<input type="checkbox"/>
A separate management letter will follow this report.	<input type="checkbox"/>	<input type="checkbox"/>

Annex D: Calculation of any Adjustment of Funding for 2010/11

- 1 This annex sets out how the YPLA will calculate the adjustment of funds for 2010/11. The starting point for any calculation will be the comparison of the agreed final Individualised Learner Record (ILR) funding claim and audit opinion against the YPLA learner responsive funded cash allocation. The YPLA and the provider will need to agree on both the actual level of ILR cash out-turn and the percentage level of out-turn against target. The terminology shown in Table D1 applies to all returns and any necessary reconciliation.

Table D1: Terminology used for funding returns and reconciliations.

Term	Explanation
ILR cash allocation	The amount of cash allocated by the YPLA to a learner responsive provider for 2010/11. The cash figure includes any supplements for area weightings.
ILR cash out-turn	The amount of cash claimed by a provider on its final funding claim. It will include any supplements for area or specialist-college weightings. It will be made up as the combination of the 2010/11 final ILR LR05 return total for the college or other provider, together with any agreed manual adjustment figure (which could be either a positive or a negative adjustment to the ILR total). During the year, this figure may be calculated from ILR or interim returns to the YPLA for the purposes of interim adjustments.
Additional allocations	No additional allocation are expected to be paid in 2010/11.
Recovery of funds (for 2010/11)	The amount of funding being recovered from colleges or other providers for shortfalls against funded targets (for 2010/11). This has often been referred to in the sector as clawback.
<i>ALS allocation (formula-based)</i>	A provider ALS cash allocation is divided by the provider allocation SLN target to calculate the provider ALS per SLN allocation figure.
<i>ALS Out-turn (formula-based)</i>	The provider out-turn SLN is multiplied by the ALS per SLN allocation figure to calculate the provider ALS out-turn (formula-based).
<i>ALS High Value Claims only</i>	This is calculated solely from the provider ILR return by adding together all valid funded learner records with ALS costs above £5,500 in ILR field L31.
<i>ALS reconciliation</i>	The YPLA has agreed that no formulaic reconciliation of ALS out-turns and allocations will be made for 2010/11.
<i>Tolerance (applies only to contract funded providers)</i>	For contract provider funding reconciliation, the YPLA has agreed tolerance limits at: <ul style="list-style-type: none"> • Underperformance: 5% of the provider's ILR cash allocation for providers not delivering at least 95% of their learner number target. • Underperformance: 10% of the provider's ILR cash allocation for providers delivering at least 95% of their learner number target.

Annex E: Reconciliation Statement for 2010/11: All Providers

* 16-18 learner responsive funding model

Provider name: Casterbridge College Date: 1 October 2011
 Provider UPIN Code: 12345

Institution payment code: Q2CAS01

The YPLA databases show the following funding reconciliation data for the year 2010/11.

Table E1: ILR funding position 2010/11.

1.1	Academic year 2010/11	Cash (£)
1.2	Programme funded allocation	8,000,000
1.3	Additional allocation(s)	0
1.4	Total allocation	8,000,000
1.5	Out-turn cash	7,995,000
1.6	ILR cash variance	- 5,000
1.7	ALS Cash Allocation	500,000

Table E2: Cash adjustments 2010/11.

2.1 Academic year 2010/11	2.2 Cash adjustment	2.3 Cash already paid/recovered	2.4 Cash to be adjusted
Clawback	0	0	0
2.5 Source of out- turn information	Year-end estimate		

Table E2 shows in box 2.2 the amount of any funds to be returned to the YPLA and, in box 2.5, the source of out-turn information.

Please see explanation in *ILR Funding Returns*. If any further clarification is needed, please contact your YPLA regional office. The ALS cash allocation is shown for the benefit of provider financial statement auditors as evidence of total YPLA funding paid for 2010/11.

Guidance on the reconciliation statement 2010/11

Table E1: ILR funding position 2010/11

- 1.2 Programme cash allocation for 2010/11 (excludes all ALS funding).
- 1.3 Additional cash allocation.
- 1.4 Total of 1.2 + 1.3.
- 1.5 Out-turn cash (excludes all ALS funding)
- 1.6 ILR cash variance (excludes all ALS funding)
- 1.7 Total ALS cash allocation

Table E2: Cash adjustments 2010/11

- 2.2 Total cash adjustments calculated for 2010/11. This should only be regarded as the final figure if box 2.5 shows 'Final claim approved by YPLA'. Any cash adjustment shown will be paid/recovered during 2010/11. Where any debt exceeds the payment due, the balance will be applied to the following month's payment. Negative values will show as recovery of funds.
- 2.3 Cash already paid/recovered. This box refers to payment adjustments already posted to your payment account within the YPLA's accounting system.
- 2.4 Difference of the above: that is, 2.2 minus 2.3.
- 2.5 Status of the validation of audit and funding claim returns for 2010/11. The codes and their meanings are shown below.

Possible out-turn comments that might appear in box 2.5 on the reconciliation statements

For any further clarification that is needed, providers should contact the YPLA.

Timely final funding claim and clear audit opinion	Agency has received a timely final funding claim and a clear audit report (final claim audit opinion (a)).
Late final funding claim and clear opinion	Agency has received a late final funding claim and a clear audit report (final claim audit opinion (b)).
Qualified final claim and audit opinion	Agency has received a final funding claim and a qualified audit report (final claim audit opinion (c) or (d)).
Seriously qualified final claim and audit opinion	Agency has received a final funding claim and a seriously qualified audit report (final claim audit opinion (e)).
Final claim only	Final claim only (non audited learner responsive funding provision).
Mid-year estimate	Mid-year estimate.
Year-end estimate	Year-end estimate.
Nil return	Nil out-turn assumed.
Free text	YPLA may overwrite system comments with locally/regionally agreed text in exceptional circumstances.

Annex E: Examples of Contract Providers Final Reconciliation (part 2.1)

All the examples below (on this and the next page) are based on the rules set out in paragraph 29 in the main section of this document. For providers with funding contracts subject to regional schedules the examples will be applied at the regional schedule level.

Comment	Clawback Comment	Learner Numbers	Cash	Variance (£)	Variance (%) (of cash)	Variance (%) (of learner numbers)	Tolerance at 10% (cash) (>95% Learner numbers)	Tolerance at 5% (cash) (<95% Learner numbers)	Clawback
Allocation		1,000	£3,000,000				£300,000	£150,000	
Example 1: Provider at 80% for both learner numbers and cash									
Out-turn (below target cash & learner numbers)	Learner numbers out-turn less than 95%	800	£2,400,000	£600,000	80.00%	80.00%		£150,000	-£450,000
Example 2: Provider at 80% for learner numbers and at 90% for cash									
Out-turn (below target cash & learner numbers)	Learner numbers out-turn less than 95%	800	£2,700,000	£300,000	90.00%	80.00%		£150,000	-£150,000
Example 3: Provider at 80% for learner numbers and at 95% for cash									
Out-turn (below target cash & learner numbers)	Learner numbers out-turn less than 95%	800	£2,850,000	£150,000	95.00%	80.00%		£150,000	£0
Example 4: Provider at 95% for learner numbers and at 80% for cash									
Out-turn (below target cash & learner numbers)	Learner numbers out-turn greater than 95%	950	£2,400,000	£600,000	80.00%	95.00%	£300,000		-£300,000

Annex E: Examples of Contract Providers Final Reconciliation (part 2.2)

All the examples below (on this and the previous page) are based on the rules set out in paragraph 29 in the main section of this document. For providers with funding contracts subject to regional schedules the examples will be applied at the regional schedule level.

Comment	Clawback Comment	Learner Numbers	Cash	Variance (£)	Variance (%) (of cash)	Variance (%) (of learner numbers)	Tolerance at 10% (cash) (>95% Learner numbers)	Tolerance at 5% (cash) (<95% Learner numbers)	Clawback
Allocation		1,000	£3,000,000				£300,000	£150,000	
Example 5: Provider at 95% for learner numbers and at 89% for cash									
Out-turn (below target cash & learner numbers)	Learner numbers out-turn greater than 95%	950	£2,670,000	£330,000	89.00%	95.00%	£300,000		-£30,000
Example 6: Provider at 95% for learner numbers and at 90% for cash									
Out-turn (below target cash & learner numbers)	Learner numbers out-turn greater than 95%	950	£2,700,000	£300,000	90.00%	95.00%	£300,000		£0
Example 7: Provider at 120% for learner numbers and at 110% for cash									
Out-turn (above target cash & learner numbers)	Learner numbers out-turn greater than 95%	1,200	£3,300,000	£300,000	110.00%	120.00%	<i>No tolerance needed as over delivery</i>		£0

Annex F: Example Learner Information Suite Learner responsive Funding Claim Report 2010/11: All Providers (includes examples of first 3 pages for benefit of providers)

This report will match the funding claim returns in Annex B and the actual LIS report is currently being specified and tested.

ILR Funding Estimates/Claims 2010/11 (*Mid-year Estimate/Year-end Estimate/Final Claim) (*Delete as appropriate)

	16-18 learner responsive funding	Category	ILR Values	Manual Adjustment	Total
A	16-18 learner responsive funding	Funding value (£)			
		Total SLN			
		Learners			
B	19-24 LLDD funded by YPLA	Funding value (£)			
		Total SLN			
		Learners			
C	ALS (generated from 2010/11 allocation formula; but calculated using out-turn SLN)	Funding value (£)			
D	16-18: ALS High Value Claims only (calculated from ILR cost data above £5,500 - see page 3 of LIS Funding Claim Report)	Based on ILR ALS claims over £5,500 (£)			
E	19-24 LLDD: ALS High Value Claims only (calculated from ILR cost data above £5,500 - see page 3 of LIS Funding Claim Report)	Based on ILR ALS claims over £5,500 (£)			
	Total funding (programme and ALS) (A + B+ C)	Funding value (£)			

Notes:

- 1 Section C: ALS High Value Claims figure is excluded from all totals on this page– see also page 3 of LIS Funding Claim Report for further ALS information.
- 2 This page includes all learners who have learner responsive funding and are identified in the ILR as YPLA funded. Any learners with ILR Field A10, Funding Model set to 21 (16-18 learner responsive funding), but aged 19 or over on 31 August 2010 and **usually** coded as Skills Funding Agency funded will not appear on this page but on the page for Adult Learner Responsive funding.
- 3 The rows labelled D and E include ALR learners aged 19-24 on 31 August 2010 funded using the ALR model where field A11 is set to 106 or 107 as learners that are funded by the YPLA. Row E is the associated ALS costs for these learners.

ILR Funding Estimates/Claims 2010/11 (*Mid-year Estimate/Year-end Estimate/Final Claim) (*Delete as appropriate)

	Adult 19+ learner responsive funding	Category	ILR values	Manual adjustment	Total
A	Adult (19+) learner responsive funding	Funding value (£)			
		Fully funded SLN			
		Co-funded SLN			
		Total SLN			
		Learners			
B	ALS (generated from 2010/11 allocation formula; but calculated using out-turn SLN)	Funding value (£)			
C	ALS High Value Claims only (calculated from ILR cost data above £5,500 - see page 3 of LIS Funding Claim Report)	Based on ILR ALS claims over £5,500 (£)			
A+B	Total funding (programme and ALS)	Funding value (£)			
D	Adult (19+) Learners who are funded through the 16-18 Learner Responsive funding stream (A10=21) but are aged 19 or over on 31 August 2010. (also included in Rows A)	Funding value (£)			
		Total SLN			
		Learners			

Notes:

- 1 Section C: ALS High Value Claims figure is excluded from all totals on this page– see also page 3 of LIS Funding Claim Report for further ALS information.
- 2 This page includes learners who have learner responsive funding and are identified in the ILR as Skills Funding Agency funded. Any learners with ILR field A10 set to 21 and A11 set to 105 will appear on this page in Section A and in D.
- 3 Learners aged 19-24 on 31 August 2010 where field A10 is set to 22 and A11 is set to 106 are excluded from this report (such learners are funded by YPLA and appear on page 1 of this report).

ILR Funding Estimates/Claims 2010/11 (*Mid-year Estimate/Year-end Estimate/Final Claim) (*Delete as appropriate)

Additional learning support	ALS in ILR (£) (see notes 1 and 3)	Count of ALS learners in ILR	ALS from formula (see note 2)	Variance (costs to formula) (£)
16-18 learner responsive model				
Low-value claims (but above minimum thresholds)				
High-value claims (above £5,500) (Aged 16-18 learners)				
High-value claims (above £5,500) (Aged 19-24 learners)				
Total ALS				
Adult learner responsive model				
Low-value claims (but above minimum thresholds)				
High-value claims (above £5,500)				
Total ALS				

Notes

- 1) ILR cost values are generated from ILR field L31 for learners with costs over the minimum cost thresholds for full-time (£501) or part-time (£170) learners.
- 2) This is calculated using the allocation ALS per SLN rate and then multiplying this by the total out-turn SLN to generate the formula-based ALS out-turn value (ALS per SLN rate x out-turn SLN).
- 3) Minimum thresholds of £501 for full-time learners, £170 for part-time learners.
- 4) In some rare circumstances it is possible for a learner to have both 16-18 and adult learner responsive funding in the same year. Such learners will be double-counted in the columns for 'ALS in ILR' and 'Count of ALS Learners in ILR'.
- 5) The grey shaded figures are the figures also returned in the first 2 pages of this report.

Annex F: Funding Claim Report 2010/11: Additional Information

- 1 The Funding Claim Report reporting code has had to be changed for 2010/11 (from 2009/10) to take into account:
 - a The split in funding responsibility between YPLA and Skills Funding Agency (SFA);
 - b that the funding responsibility for learners aged 19-24 with significant ALS cost needs were transferred to the YPLA from the SFA from 2010/11;
 - c learners who started programmes aged 18 in the first year of their programme but are aged 19 or over on the 31 August 2010 are the funding responsibility of the SFA for 2010/11 (unless they meet the criteria set out in (b) above.
- 2 To keep the Funding Claim Report as simple as possible the report only looks at ILR fields A10 and A11 to determine where each learner appears on the report and no longer references any individual learner's date of birth to determine whether individual learners (and individual aims) are YPLA or SFA funded.
- 3 To be YPLA funded as shown on Page 1 of the Funding Claim Report learners must have at least one learning aim coded in the ILR data as set out in the Table below.

Table F1: Funding Claim Report – Page 1: 16-18 Learner Responsive Funding
A summary of the use of ILR coding made by the Report

Funding Claim Report Category	ILR Field A10 entry	ILR Field A11 entry
A	equals : 21 (16-18 learner responsive)	equals: 107 (YPLA funds)
B	SLN total from A multiplied by allocation ALS/SLN	
C	L31 – where total entry is at or over £5,500 for any learner with programme funding in row A	
D	Equals : 22 (LLDD learners aged 19-24 funded by the YPLA but at ALR rates)	equals: 107 (YPLA funds) (if field set to 105 then the learner appears on Page 2 of the Report (ALR page))
E	L31 – where total entry is at or over £5,500 for any learner with programme funding in row D	
Total Funding	Totals Programme and low-level ALS = A + B + D (from above)	

Notes on Page 1

- 4 The report calculates using the codes shown in Table F1 above. The notes at the bottom of Page 1 are set out below (here included with some very minor corrections shown below in ***bold and italics*** to the words on the actual report).
 - 1) 'Section C: ALS High Value Claims figure is excluded from all totals on this page – see also ***page 3*** of LIS Funding Claim Report for further ALS information.
 - 2) This page includes all learners who have learner responsive funding and are identified in the ILR as YPLA funded. Any learners with ILR Field A10, Funding Model set to 21 (16-18 learner responsive funding), but aged 19 or over on 31 August 2010 and hence coded (***A11 = 105***) as SFA funded will not appear on this page but on Page 2 (ALR) funding.
 - 3) The rows labelled D and E include learners (***A10 = 22***) (who should be aged 19-24 on 31 August 2010) funded by the YPLA at the ALR funding model rates where field ***A11 = 107***. Row E is the associated higher ALS costs for these learners.
 - 4) The Data Service has issued full guidance on the ILR Funding Claim Report within the LIS 2010/11 Report Guidance, available at:
http://www.thedataservice.org.uk/NR/rdonlyres/482767D7-C515-4B92-A849-1ADDB2444606/0/natreportguidanceuglis1803_v1_0_8November2010.pdf.

ILR Data Recording Issues

- 5 Providers are now required to update the data entry in ILR field A11 appropriately for all continuing learners that change funding body responsibility for a later year of their programme. The ILR record at a learning aim level is for such learners different across the different funding years.
- 6 From 2010/11 only LLDD learners aged 19-24 on 31 August 2010 and for whom the YPLA has agreed funding responsibility should be coded in A11 as 107. All other learners aged 19 or over on 31 August 2010 should be coded in A11 as 105.
- 7 Some providers LR01 returns appear to have some incorrectly coded learners who are aged 19 or over on 31 August 2010 (and that are not agreed YPLA funded 19-24 LLDD learners) as YPLA funded (A11=107). These learners are not eligible to be funded by the YPLA and should be included in all data and funding returns as SFA funded learners (A11=105). All such errors must be corrected before any LR04 and LR05 returns are made to the Data Service.
- 8 The YPLA has excluded these learners (under YPLA internal ILR analysis) from the lagged learner numbers used for the 2011/12 allocation process.

Annex G: Manual Adjustments 2010/11: All Providers

Manual adjustments to 2010/11 funding claims derived from a specified version of the Learner Information Suite using specified versions of the Learning Aims Database (see paragraph 15 of this booklet).

Number	Possible reason for a manual adjustment to final funding claim	YPLA response for 2010/11
Auditor or YPLA agreed adjustments		
2010/11-1	<p>Audit (or YPLA) adjustments may be made to reduce funding in the following circumstances:</p> <ul style="list-style-type: none"> • to reflect errors in an institution's claim or the lack of an adequate audit trail; • to remove funding for ineligible learners or programmes; and/or • to remove funding for learners duplicated in either other funding streams or other provider funding claims. 	<p>Manual adjustments may be made by auditors where ILR adjustments are agreed inappropriate by the YPLA and the auditors. These are expected to be negative, as any overall positive audit adjustments the YPLA will require providers to amend the underlying ILR data records.</p> <p>Manual adjustments may be agreed by the YPLA and auditors where the YPLA agree providers need not also amend the underlying ILR data to save providers from unnecessary bureaucracy in reducing their funding claims.</p>
Mid-year and year-end estimates		
2010/11-2	<p>This number should be used on mid-year and year-end returns where providers are using manual entries to update their current ILR data to equate to their anticipated final out-turn figure. This number cannot be used on final claim returns.</p>	<p>To enable mid-year and year-end return figures to match provider anticipated final figures.</p>
Additional support funds		
2010/11-3	<p>Where a provider considers that the additional support bands arising from personal counselling may not be recorded on the ILR return on ethical grounds, the LIS will not have the information necessary to calculate the additional support cash. Note: anonymised additional support forms, with adequate justification for the claimed costs, should still be prepared in a form that may be shared with the ILR auditor.</p>	<p>This would lead to an understatement of the amount of cash and may warrant a manual addition on the ALS claim form only.</p> <p>This adjustment would not warrant an adjustment to Annex B Part 1 or Part 2 as ALS funding is only declared on those forms on the basis of ALS formula driven calculations.</p>

2010/11-3 (continued)	<p>Use Funding Claim Workbook: ALS Costs to return this manual adjustment to YPLA</p> <p>The funding claim workbook on the YPLA website (Annex B workbook with this document on the website) will include a page to enable those providers wishing to make this adjustment to their ALS costs to return the information to the YPLA. This is the only method for returning this manual adjustment as only a very few providers are expected to want to make this adjustment.</p>

YPLA National Office funding team advice to providers and funding auditors on manual adjustments (see also Annex A paragraphs 5-11 of this booklet).

- 9 This advice is being published to assist providers in making valid manual adjustments on their final claim return to the YPLA.
 - 10 At the time of writing, for final claims, the YPLA has agreed that a manual adjustment is allowed so funding auditors may adjust funding claim out-turns in the light of any audit and assurance work they have undertaken on behalf of either the YPLA or the provider. It is expected that overall audit adjustments will be negative as any provider under-claims will require changes to underlying ILR data.
 - 11 Specific advice on claiming and approving 2010/11 manual adjustments taking into account the new funding methodology and a review of previous year manual adjustments follows.
 - a Use of manual adjustment number 2010/11–01. In some cases, this will include a number of separate calculations and a sheet of background material explaining how the proposed adjustment has been calculated. This must be agreed with the YPLA before the adjustment is claimed. The figures in the background note must reconcile with the claim value on Part 2 of the claim (Annex B: Part 2). This adjustment number must not be used for any adjustment for which an alternative manual adjustment number has been published.
 - b No manual adjustment can be agreed for additional learning support (ALS) above the £19,000 threshold. Any additional funding for learners above the £19,000 threshold must go through its own separate funding route. Providers should be reminded that, in accordance with YPLA *Funding Guidance* on ALS that any claims for ALS above £19,000 must be made before 21 November 2011 in accordance with the timetable set out in this booklet.
 - c No manual adjustments can be agreed for changes in provider factor data in the current year.
 - d The only manual adjustments allowed are those listed above in this Annex G to *ILR Funding Returns*. No older manual adjustment numbers used in previous years are claimable and must not be used for 2010/11 or subsequent years.
 - e No manual adjustments will be agreed to over-ride the LIS maximum SLN value in respect of funding in 2010/11.
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