



Skills Funding
Agency

The Skills Funding Agency's funding rates and formula

Version 2

This document sets out the details of the 2014 to 2015 funding system used to fund provision paid for from the Adult Skills Budget (ASB), as well as the funding of 16 to 18 apprenticeships. The funding system is also used to fund Offender Learning and Skills Service (OLASS) and is used to work out funding for the Loans Bursary.

October 2014

Of interest to further education and skills training providers

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WITHDRAWN

Amendments

We have made the following amendments (where appropriate, we show the original text crossed out and then the corresponding new text next to it):

Paragraph	Text
Funding rates	
Features	
24 to 25 Clarification	<p>We have replaced paragraph 24 with two new paragraphs 24 and 25.</p> <p>Original paragraph:</p> <p>24 Apprenticeship frameworks continue to have rates set based on activity costs information submitted to us by framework developers, as part of the framework approvals process.</p> <p>New paragraphs:</p> <p>24 Following the publication of the Apprenticeship Reform Implementation Plan, the government announced Trailblazers who are developing new standards which will replace the existing apprenticeship frameworks over the next few years. As set out in the Consultation on Funding Reform for Apprenticeships in England, these new standards will be funded in a different way to the current rates-based system. You can find more information on the development of Trailblazer funding in the Future of Apprenticeships in England: guidance for trailblazers (version 2).</p> <p>25 To make sure we do not introduce further changes into the current system ahead of the wider reforms which are taking place, we have agreed that we will not put into practice the new rates methodology for new apprenticeship frameworks as originally planned from 2013 to 2014. This means that we will use the same</p>

	<p>approach of setting rates based on the activity costs information given to us by framework developers, as part of the process for approving frameworks.</p>
32 to 33 Addition	<p>32 English for Speakers of Other Languages (ESOL) provision - in 2014 to 2015 the Agency will fund the existing NQF ESOL qualifications up to 31 December 2014 and new QCF ESOL qualifications in line with single rates as set out the in the funding matrix. In addition to these rates, providers offering these qualifications can claim additional funding using the 'non-regulated' funding mechanism to take account of any shortfall in funding resulting from the rates matrix. This means that for learners undertaking their QCF ESOL qualification, where single rates do not provide enough funding to cover costs, the provider can add to this using the 'non-regulated' mechanism.</p> <p>33 You can find more information in ESOL qualifications: interim arrangements up to 31 December 2014.</p>
36 Addition	<p>36 Agriculture which needs specialist resources (decided each year with support from Lantra) attracts an additional uplift in the ASB and apprenticeships when delivered in providers with specialist resources. This uplift is also applied to the maximum Loan amounts for this provision.</p>
<p>Funding formula</p>	
47 Addition and amendment	<p>47 As the delivery location of distance and e-learning provision is not set, there is no area uplift.</p>
62 to 64 Addition	<p>We have replaced paragraph 56 in Version 1 of this document with Paragraphs 62 to 64.</p> <p>Original paragraph:</p>

~~56 The Agency is introducing a monthly limit on earnings to reinforce the annual funding cap. The mechanism for applying this will be published in due course~~

New paragraphs:

62 We are introducing a monthly limit on earnings to reinforce the yearly funding cap for the 2014 to 2015 funding year. The monthly limit will be set at £1,000 for each learner and applied to unweighted rates. We will monitor your earnings and if you go over the monthly limit, we will inform you on a quarterly basis and agree whether you should reduce your earnings.

63 The monthly limit on earnings will be based on the fully funded base rate, even where aims are co-funded, and will take account of prior learning adjustments. When working out the limit, we will ignore Learning Support, programme weighting, area costs, disadvantage uplift and large employer discount.

64 We will calculate the cap based on an even distribution of the base rate across periods, rather than using the 'n+1' approach (see paragraph 58 above) from the funding calculation, and without taking off an element for achievement.

Foreword

We use a single demand-led funding system for funding provision paid for from the Adult Skills Budget (ASB), as well as funding 16 to 18 apprenticeships. The funding system is also used to fund Offender Learning and Skills Service (OLASS) provision and the 24+ Advanced Learning Loans Bursary Fund.

This document sets out the principles behind our funding system and describes the features of the funding system for adult skills for the 2014 to 2015 funding year. To get a complete understanding of how the funding system works in practice, you should read this document along with our [Funding Rules 2014 to 2015](#), our [Operational Performance Management Rules 2014 to 2015](#) and the [Individualised Learner Record Specification \(ILR\) 2014 to 2015](#).

2014 to 2015 will be the second year of operating a single demand-led funding system. This funding system was developed with the close involvement of, and consultation with, the further education and skills sector. The aim was to review and simplify all aspects of the (then) existing funding system – rates, formula and earnings method – and to test the new system as we developed it. The sector worked with us over two years to help us simplify the funding system. The result significantly simplified the way we fund adult skills provision – the benefits of which are now being seen by providers, employers and learners. We will continue to review how the funding system is working and refine it where that is sensible. In another development running alongside this one, we have reviewed the publicly-funded qualification offer and streamlined it to make sure it is more rigorous and relevant to learner and employer needs. Together, these developments prepare the way for the significant further reforms that are underway to the skills system.

Changes to apprenticeships are underway and we will develop the future funding system that will back up these changes to meet the needs of employers. Before these changes take place, we will use the same apprenticeship funding and will continue to protect existing delivery as we move to the new system. We will develop future apprenticeship funding arrangements and test them alongside the single demand-led funding system.

We will continue to work with the further education and skills sector to streamline the funding system where we can, and it makes sense to do so. **In 2014 to 2015, we will not use the transition factors put in place in 2013 to 2014 to support the introduction of the funding system.**

The terms 'we' and 'Skills Funding Agency' refer to the Chief Executive of Skills Funding and his staff.

When we refer to 'you' or 'providers', this includes colleges, training organisations, local authorities and employers who receive funding from us, or through a Loans facility, to deliver education and training.

WITHDRAWN

Introduction

- 1 We are a partner organisation of the Department for Business, Innovation and Skills (BIS). Our job is to fund and promote adult skills in England, including traineeships and apprenticeships, in a way that supports economic growth.
- 2 We create contracts with providers on the [Register of Training Organisations](#) to deliver publicly-funded adult skills provision. Depending on what type of provider you are, you will operate through either a grant or a contract for services. Our Funding Rules form part of the terms and conditions of the grant or contract for services, and together with the [Individualised Learner Record \(ILR\) Specification](#) and the [Operational Performance Management Rules](#), they set out all the requirements you have to meet to receive public funding.
- 3 In March each year we confirm your allocation or maximum contract value for delivering adult skills provision for the following funding year (which runs from August to July). If you are funded through a grant, we will pay you a set amount each month during the funding year. At the end of the year, we compare this against your earnings and make any necessary adjustments. If you are funded through a contract, we will pay you on the basis of your actual delivery each month, within your maximum contract value.
- 4 You will give us information about learners and their learning using a collection of data called the ILR. Our funding system then uses this information to work out the funding you have earned for delivering this learning.

The publicly-funded offer

- 5 We fund learning aims that have been approved for public funding. That is, the regulated qualifications and Qualifications and Credit Framework (QCF) units approved for public funding, as well as the non-regulated provision we continue to fund for particular learners. We also fund work placements that are part of traineeship programmes.

- 6 In some cases we vary the offer to tackle the particular needs of some groups of learners. For example, we fund QCF units and small qualifications (Awards) for unemployed learners, as well as larger qualifications to provide a flexible offer to help them get back into work. For other learners we need the qualifications on offer to be of sufficient size to deliver learning and outcomes which are valued and can be transferred.
- 7 You can find the list of regulated qualifications approved for public funding in 2014 to 2015 in [The Hub](#). This is updated each month as we add newly regulated qualifications to the database that meet our rules for entering public funding.
- 8 The [Qualifications Information Guide](#) contains information on the regulated qualifications outside of apprenticeships we approve for funding, as well as unit delivery, the Innovation Code, and the circumstances in which we will fund non-regulated provision.

WITHDRAWN

The funding system

Principles

9 Our funding system is based on the following principles:

- fairness
- transparency
- recognising the diverse needs of adults
- protecting public funds

10 **Fairness** – it is designed to work for and is fair to all parts of the sector. It offers learning opportunities to the most disadvantaged, and improves the career prospects of those entering a new job or an apprenticeship, and those looking to progress in their careers. The contribution the government makes to support the choices of employers and learners reflects the relative costs of delivering provision to make sure we make the most of the availability of adult learning on offer.

11 **Transparency** – it is simple and easy to understand. It is a single system that works for the benefit of all employers and learners. It makes sure that the contribution the government makes to support learners' programmes is understood, which is particularly important for 24+ Advanced Learning Loans (Loans).

12 **Recognising the diverse needs of adults** – it supports qualifications and programmes that provide skills for employability and progression to more advanced skills. Learning support funding makes sure all learners can be supported to achieve their learning aims. This is particularly the case for learners with learning difficulties and/or disabilities.

13 **Protecting public funds** – it aims to get the balance right between giving providers (including employers who are also providers) the freedom and flexibility they need to meet the needs of their employers and learners, and making sure

that public funds are protected. We have set minimum requirements for the evidence you must have. You must make sure you respond to the demands of employers and learners and work through local partnerships so that provision meets the needs of all local communities.

- 14 We will review whether the education and training provided represents good value for money. If we consider that the funding we have provided is significantly more than the cost of the education and training, we may, after consulting you, reduce the amount of funding we pay.

Features

- 15 Our funding system has the following important features:

- **The funding rates** for learning aims and work placements.
- **The funding formula** that includes uplifts to the rates to take account of the extra costs that you may experience when delivering to some types of learners and in some locations.
- **The earnings method**, linked to delivery and achievement, as and when it happens.
- **Learning support** where it is needed to help learners achieve their learning aim.

- 16 You will also have access to learner support funds to help learners faced with financial hardship in accessing learning.

- 17 You can find the detailed features of the funding system in the following sections. To get a complete understanding of how the funding system works in practice, you should read this along with the following Agency publications:

- [Funding Rules 2014 to 2015](#)
- [Operational Performance Management Rules 2014 to 2015](#)
- [Individualised Learner Record \(ILR\) 2014 to 2015](#)

Funding rates

Principles

18 The following principles apply to our rates for adult skills provision, including OLASS and the maximum Loan amounts for provision funded through a 24+ Advanced Learning Loan:

- Rates reflect the typical costs of delivering provision. If your costs are significantly lower than the published rate, you must reduce the funding you earn using the methods we have provided.
- Rates reflect the different sizes of qualifications (linked to QCF credit or guided learning hours [GLH] if credit is not available) while certain qualifications have rates set as a matter of policy.
- Rates recognise the relative costs of delivering provision in different sectors and subject areas.

Features

19 Each learning aim is funded at the rate that applies when the learner starts that learning aim. We fund learning aims that started before August 2013 at their 2012 to 2013 rates until they are completed.

20 The [Education Funding Agency](#) (EFA) has published its funding arrangements for 16 to 19 study programmes. We will continue with our commitment to fund any 16- to 18-year-old who turns 19 in their second or subsequent funding year of a single programme of study. We will continue to fund these learners (not in sixth-form colleges, schools or academies) at 16 to 19 rates using the EFA's 16 to 19 funding model, but the funding will be earned from the ASB.

21 When starting learners on a qualification, you must make sure that we have approved the qualification for funding and it appears on our list of those available for funding. All rates shown are fully funded rates for 19+ learners. These rates will be adjusted by the funding formula for different age groups in apprenticeships

and according to our policy (for example, if the government contributes only part of the full rate). You can find qualification rates on [The Hub](#).

- 22 All learning aims have a rate published in pounds (£) that includes any programme weighting, to take account of the relative costs of delivering it in different sectors and subjects.
- 23 Rates, outside of apprenticeships, are set using a simplified matrix approach (table) based on funding bands and programme weightings. The funding band of a learning aim is decided either by credit (where available) or GLH, and sector subject area (SSA).
- 24 Following the publication of the [Apprenticeship Reform Implementation Plan](#), the government announced Trailblazers that are developing new standards which will replace the existing apprenticeship frameworks over the next few years. As set out in the [Consultation on Funding Reform for Apprenticeships in England](#), these new standards will be funded in a different way to the current rates-based system. You can find more information on the development of Trailblazer funding in the [Future of Apprenticeships in England: guidance for trailblazers \(version 2\)](#).
- 25 To make sure that we do not introduce further changes into the current system ahead of the wider reforms that are taking place, we have agreed that we will not put into practice the new rates methodology for new apprenticeship frameworks as originally planned from 2013 to 2014. This means that we will use the same approach of setting rates based on the activity costs information given to us by framework developers, as part of the process for approving frameworks.

The rates matrix

- 26 There is a single set of rates for all adult skills provision outside of apprenticeships, no matter how that provision is delivered. The process of setting rates uses a 'matrix' (table). In the matrix, the rows represent the funding band and the columns represent the programme weighting. Funding bands reflect the different sizes of qualifications, and programme weightings reflect the relative

costs of delivering them in different sectors and subjects. Funding bands are mainly based on credit value.

27 QCF qualifications have their funding band set using their credit value. Non-credit-based qualifications have their funding band set using their recommended GLH available from the Register of Regulated Qualifications operated by Ofqual (The Office of Qualifications and Examinations Regulation). Other learning aims including non-regulated provision have their funding band set by providers' planned GLH, as reported in the ILR using class codes.

28 The rates matrix for the funding year 2014 to 2015 is set out below:

Funding band (credits)	Programme weighting (PW)				
	A – Base (unweighted rate)	B – Low	C – Medium	D – High	E or G – Specialist See note below.
Small provision (1)	£50	£56	£65	£80	£86
Small provision (2)	£100	£112	£130	£160	£172
Small provision (3 to 5)	£150	£168	£195	£240	£258
Small provision (6 to 8)	£300	£336	£390	£480	£516
Small provision (9 to 11)	£450	£504	£585	£720	£774
Small provision (12)	£600	£672	£780	£960	£1,032
Certificate (13 to 24)	£724	£811	£941	£1,159	£1,246
Certificate (25 to 36)	£1,265	£1,417	£1,645	£2,025	£2,176
Diploma (37 to 48)	£1,987	£2,225	£2,583	£3,179	£3,417
Diploma (49 to 72)	£2,573	£2,882	£3,345	£4,117	£4,425
Diploma - Access to Higher Education	£3,022	£3,384	£3,928	£4,835	£5,197
Diploma (73 to 132)	£4,170	£4,670	£5,421	£6,671	£7,172
Diploma (133 or more)	£6,602	£7,395	£8,583	£10,564	£11,356

Note: Some specialist provision will receive an extra uplift if it is delivered by certain specialist providers.

29 For the purpose of the funding rates matrix, we will continue to define small provision as regulated qualifications of fewer than 13 QCF credits or (for non-credit-based qualifications) of fewer than 101 GLH. This definition is for funding purposes only. For further information on how we approve regulated qualifications for funding and the size thresholds we apply, please refer to the [‘qualifications approved for public funding’](#) section of the GOV.UK.

30 Where funding bands are set by any form of GLH, including for non-regulated provision, the following mapping applies:

GLH for non-credit-based learning aims	Funding band (credits)
Up to 12	Small provision (1)
13 to 20	Small provision (2)
21 to 44	Small provision (3 to 5)
45 to 68	Small provision (6 to 11)
69 to 92	Small provision (9 to 11)
93 to 100	Small provision (12)
101 to 196	Certificate (13 to 24)
197 to 292	Certificate (25 to 36)
293 to 388	Diploma (37 to 48)
389 to 580	Diploma (49 to 72)
581 to 1060	Diploma (73 to 132)
1061 or more	Diploma (133 or more)

- 31 Certain qualifications have their funding band set as a matter of policy, including the following:

Qualification	Funding band (credits)
GCE AS- or A2-level	Certificate (13 to 24)
GCE A-level	Diploma (37 to 48)
GCSE	Certificate (13 to 24)
GCSE short course	Small provision (6)
Adult certificates in ESOL	Certificate (13 to 24)
Adult certificates in ESOL (Speaking and listening)	Small provision (6)
Functional skills in English and in maths	Certificate (13 to 24)
Functional skills in IT	Small provision (6)

- 32 English for Speakers of Other Languages (ESOL) provision: in 2014 to 2015 the Agency will fund the existing National Qualifications Framework (NQF) ESOL qualifications up to 31 December 2014 and new QCF ESOL qualifications in line with single rates as set out in the [funding matrix](#). In addition to these rates, providers offering these qualifications can claim additional funding using the ‘non-regulated’ funding mechanism to take account of any shortfall in funding resulting from the rates matrix. This means that for learners undertaking their QCF ESOL qualification, where single rates do not provide enough funding to cover costs, the provider can add to this using the ‘non-regulated’ mechanism.
- 33 You can find more information in [ESOL qualifications: interim arrangements up to 31 December 2014](#).

Programme weightings

- 34 Programme weightings recognise the relative costs of delivering provision in different sectors and subjects, and are included within the published rates.

35 Programme weightings are set by referring to the SSA, according to the table in Annex 1, along with a limited number of exceptions we have set. For QCF and non-credit-based qualifications the SSA used is that decided by the awarding organisation as part of the accreditation or regulation process and available on the [Register of Regulated Qualifications](#), operated by Ofqual. You can find full details of programme weightings in Annex 1.

36 Agriculture courses that need specialist resources (decided each year with support from Lantra) attracts an extra uplift in the ASB and apprenticeships when delivered in providers with specialist resources. We also apply this uplift to the maximum Loan amounts for this provision.

Traineeships: rates for work placements

37 As part of the traineeship programme we also fund work placements to allow the learner to develop workplace skills and receive a real employment experience.

38 The rates for work placements are based on your costs of involving employers, setting up work placements, carrying out monitoring and mentoring visits, and supporting exit interviews.

39 The rates are set according to the number of hours an individual spends on a work placement:

Hour bandings	Funding rate
100 to 199 hours	£500
200 to 499 hours	£700
500 or more hours	£900

40 The rates for work placements are listed on [The Hub](#).

Funding formula

- 41 For most learners, the funding is simply the rate for the learning aim in pounds (£). Where appropriate, the funding formula adjusts funding for disadvantage uplift or area cost uplift, or both:

Funding = rate x disadvantage uplift x area cost uplift – non-government contribution.

Principle

- 42 The principle is that the funding formula is adjusted for differences in the relative cost of delivery that are related to factors other than the size and sector or subject of the learning aim being delivered.

Disadvantage uplift

- 43 The disadvantage uplift provides extra funding to support the most disadvantaged learners, recognising that they can be more costly to recruit and keep. To work out this uplift we use the Index of Multiple Deprivation (IMD) 2010. This results in a funding uplift for learners living in the 27% most deprived areas of the country and is based on a learner's home postcode. The uplift is between 1.08 and 1.32. If the uplift does not apply, when using the formula above, we use 1 for the uplift.
- 44 We use a single disadvantage uplift of 12% (1.12) across all OLASS-funded provision.

Area cost uplift

- 45 The area cost uplift reflects the higher cost of delivering provision in some parts of the country, such as London and the south east. It is consistently applied across all adult skills provision, including 16 to 18 and 19+ apprenticeships. The uplift is between 1.01 and 1.20. If the uplift does not apply, when using the formula above, we use 1 for the uplift. Annex 2 contains details of areas where an uplift is provided.
- 46 In OLASS, area costs are set depending on the location of the prison.

- 47 As the delivery location of distance and e-learning provision is not set, there is no area uplift.
- 48 If you are delivering provision funded through a Loan in higher-cost areas, you will have your area costs met out of your Loans Bursary Fund. We arrange this automatically.

Financial contributions

- 49 You can work out the contribution a learner or employer makes in a number of ways:
- Learners meeting the criteria for full funding, as shown in the Funding Rules 2014 to 2015, will receive the fully-funded rate shown in the matrix.
 - For provision we fund that is not an apprenticeship, learners who are not fully funded are expected to contribute 50% of the unweighted base rate of the learning aim. (This is because the government recognises that a learner should not be expected to contribute more for the same size of qualification just because that qualification is more costly to deliver. This means that the government will contribute more towards qualifications with higher operational and delivery costs, such as engineering.)
 - For all 19+ apprenticeships, employers are expected to contribute 50% of the apprenticeship framework fully-funded rate. This contribution is worked out at 50% of the weighted rate.
 - For learners aged 24 or older wanting to study at Level 3 and 4, they can apply for a 24+ Advanced Learning Loan for provision that is eligible for Loans.

Large employers

- 50 The funding formula reduces funding by 25% for apprenticeship provision for those aged 19 and over and other workplace provision delivered to employees of large employers. We define a large employer as one with 1,000 employees or more. If employers have a direct grant contract with us, we will apply the

large-employer-rate reduction to all apprenticeship and other workplace delivery, whether it is to their own employees or others outside the company or group.

51 This reduction does not apply to any apprentices who start an apprenticeship before their 19th birthday.

52 We do not reduce the funding for registered charities, schools, colleges and universities. Funding for OLASS provision is also not reduced.

Apprenticeship age bands

53 Apprenticeship funding depends on age. We increase 16 to 18 apprenticeships funding by approximately 7%; we reduce funding for apprentices aged 24 or older by 20%.

Recognition of Prior Learning

54 If you record on the ILR that you are not delivering the full learning aim due to prior learning, we change the funding formula for this.

55 If the learning aim involves a learner restarting an aim studied previously, the monthly instalments are reduced to take account of this, but the achievement funding stays at 20% of the full funding rate. However, if the learning aim is not being restarted, the achievement funding is reduced as well – as the learner is assumed to have earned some achievement within the prior learning.

Earnings method

Principles

56 The following principles apply to our approach to your earnings:

- Funding follows the learner, in other words, the choices they and, where appropriate, their employers make.
- Funding is distributed over the learner's journey from starting the programme to achieving the expected outcome.
- Funding is directly linked to the learner completing their course and then achieving both qualifications and jobs.
- You earn funding for what you deliver, when you deliver it.

Qualifying period for funding

57 If a learner is in learning for at least the qualifying period, they are counted as a 'funding start' and that learner will start to earn funding:

Length of the learning aim	Qualifying period
24 weeks or more	6 weeks
2 to 24 weeks	2 weeks
Less than 2 weeks	1 learning engagement

Distribution of funding over time

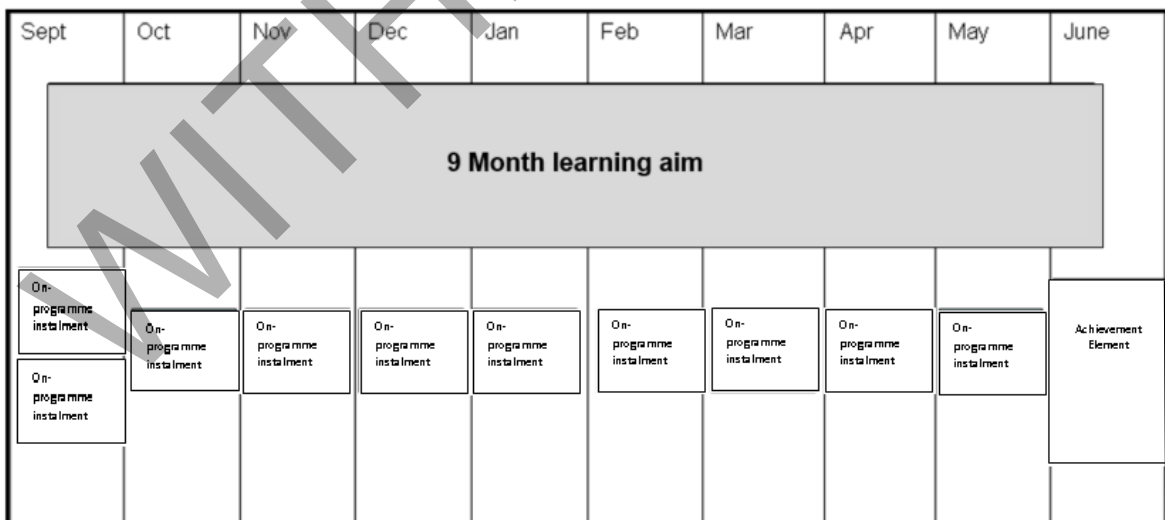
58 The earnings method has the following features:

- Earnings are based on monthly instalments (so that funding follows the learner for as long as they stay in learning) and an achievement element. This applies to all learning aims, including all parts of the learning aims delivered within an apprenticeship framework.
- For each learning aim we hold back 20% of the funding, which we will only pay when the learner achieves their qualification. For competence and knowledge

components of apprenticeships, we pay it when the framework is achieved. All achievement elements are earned on the actual end date.

- We work out the monthly instalments once we have removed the achievement element (20%). These instalments are spread out across the number of planned months for the learning aim, with a double payment in the first month. The instalment calculation uses the formula $n+1$, where 'n' is the number of planned months. The formula recognises the upfront costs associated with enrolling a learner on a learning aim.
- If the learner leaves early, the monthly instalments will stop. However, for eligible learners, we will pay you a job outcome payment (equal to half of the achievement element) if the learner leaves early without achieving their qualification to enter work of 16 hours or more a week for at least four weeks in a row. If the learner then goes on to achieve the learning aim, you will earn the outstanding monthly instalments and the rest of the achievement element.

59 The following diagram shows the earnings method:



Funding cap

- 60 A funding cap applies to each learner you have for each year across all ASB, including OLASS provision, except apprenticeships.
- 61 The funding cap will be £4,400 for each learner each year, before we apply any weightings or government contributions. If your planned provision would be above this cap, we will reduce your earnings in line with this.
- 62 We are introducing a monthly limit on earnings to reinforce the yearly funding cap for the 2014 to 2015 funding year. The monthly limit will be set at £1,000 for each learner and applied to unweighted rates. We will monitor your earnings and if you go over the monthly limit, we will inform you on a quarterly basis and agree whether you should reduce your earnings.
- 63 The monthly limit on earnings will be based on the fully funded base rate, even where aims are co-funded, and will take account of prior learning adjustments. When working out the limit, we will ignore Learning Support, programme weighting, area costs, disadvantage uplift and large employer discount.
- 64 We will calculate the cap based on an even distribution of the base rate across periods, rather than using the 'n+1' approach (paragraph 58) from the funding calculation, and without taking off an element for achievement.

Learning support funding

- 65 Funding is available if a learner has a learning support need associated with an identified learning aim. This funding comes from the ASB for adult skills learners and the OLASS budget for offenders.
- 66 You will earn learning support at a fixed monthly rate of £150 if it has been identified on the ILR against a learner's learning aim. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you have evidence of the excess, you will be able to claim for this excess through the Earnings Adjustment Statement.
- 67 Some learners may need significant levels of support to start or continue learning. These learners are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These learners can get access to Exceptional Learning Support if their support costs more than £19,000. You can find more information in the [Funding Rules 2014 to 2015](#).

Loans Bursary

68 We have now replaced funding for provision at Levels 3 and 4 with Loans for learners aged 24 or over when they start their learning (but not apprenticeships).

Loans Bursary Fund

69 The Loans Bursary provides funding for the following:

- Discretionary Learner Support (DLS) type activity for hardship, childcare and residential support.
- Learning support type activity for 'in learning' support, such as support for teaching assistants or necessary adjustments under the Equality Act 2010. You must make sure that you keep enough funding for this purpose.
- Your area costs, based on information in the ILR about where the learning takes place (the delivery location postcode). Annex 2 contains details of areas where an uplift is provided.
- Learning support type activity for learners in custody or released on temporary licence who get a Loan from the Student Loans Company.
- The methods used for claiming and earnings are different for grant-funded providers and contract-funded providers.

Contract funded providers

70 You will earn Loans Bursary funding based on the information recorded in the ILR.

71 You must claim the Loans Bursary using one of the three fixed rates shown below. These rates are shown in the learning delivery funding and monitoring fields of the ILR. You can only claim one rate for each learner each month, but the rate you use each month can change to reflect the needs of the learner being

supported. The rate you claim must reflect the criteria below and the value of the support provided:

- Rate 1 (£50) – low-cost learner support, not including childcare and residential
- Rate 2 (£150) – learning support recognising that the learner could have Learner Support needs as well
- Rate 3 (£250) – residential or childcare support recognising that the learner could have other learning support or Learner Support needs as well

72 You should make any excess claims through the Earning Adjustment Statement. For further information, please refer to the Funding Rules 2014 to 2015.

Grant funded providers

73 You will be paid on profile for the Discretionary Learner Support element of your Loans Bursary Fund.

74 You will earn Learning Support at a fixed monthly rate of £150 if it has been identified on the ILR against a learner's learning aim. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you have evidence of the excess, you will be able to claim for this excess through the Earnings Adjustment Statement.

Annex 1

Programme weightings by sector subject area

Programme weightings are decided on by referring to the SSA, according to the following table, with a limited number of exceptions we will use as shown below. For QCF and non-credit-based qualifications, the SSA used is that decided by the awarding organisation as part of the accreditation or regulation process and available on the [Register of Regulated Qualifications](#), operated by Ofqual.

SSA Tier 1 (where the code does not have a '.' followed by another number) is only used where an aim does not have a Tier-2 SSA assigned.

SSA	SSA Tier-2 description	Most likely programme weighting
1	Health, public services and care	B – Low
1.1	Medicine and dentistry	B – Low
1.2	Nursing and subjects and vocations allied to medicine	B – Low
1.3	Health and social care	B – Low
1.4	Public services	A – Base
1.5	Child development and well being	B – Low
2	Science and mathematics	A – Base
2.1	Science	B – Low
2.2	Mathematics and statistics	A – Base
3	Agriculture, horticulture and animal care	B – Low
3.1	Agriculture	E – Specialist
3.2	Horticulture and forestry	E – Specialist
3.3	Animal care and veterinary science	E – Specialist
3.4	Environmental conservation	B – Low
4	Engineering and manufacturing technologies	C – Medium
4.1	Engineering	C – Medium
4.2	Manufacturing technologies	C – Medium
4.3	Transportation operations and maintenance	C – Medium
5	Construction, planning and the built environment	C – Medium

SSA	SSA Tier-2 description	Most likely programme weighting
5.1	Architecture	C – Medium
5.2	Building and construction	C – Medium
5.3	Urban, rural and regional planning	C – Medium
6	Information and communication technology	A – Base
6.1	ICT practitioners	B – Low (up to Level 1) C – Medium (Level 2 and over)
6.2	ICT for users	A – Base (up to Level 1) B – Low (Level 2 and over)
7	Retail and commercial enterprise	A – Base
7.1	Retailing and wholesaling	A – Base
7.2	Warehousing and distribution	A – Base
7.3	Service enterprises	B – Low
7.4	Hospitality and catering	C – Medium
8	Leisure, travel and tourism	A – Base
8.1	Sport, leisure and recreation	B – Low
8.2	Travel and tourism	A – Base
9	Arts, media and publishing	A – Base
9.1	Performing arts	B – Low
9.2	Crafts, creative arts and design	C – Medium
9.3	Media and communication	B – Low
9.4	Publishing and information services	A – Base
10	History, philosophy and theology	A – Base
10.1	History	A – Base
10.2	Archaeology and archaeological sciences	B – Low
10.3	Philosophy	A – Base
10.4	Theology and religious studies	A – Base
11	Social sciences	A – Base
11.1	Geography	B – Low
11.2	Sociology and social policy	A – Base
11.3	Politics	A – Base
11.4	Economics	A – Base
11.5	Anthropology	A – Base
12	Languages, literature and culture	A – Base

SSA	SSA Tier-2 description	Most likely programme weighting
12.1	Languages, literature and culture of the British Isles	A – Base
12.2	Other languages, literature and culture	A – Base
12.3	Linguistics	A – Base
13	Education and training	B – Low
13.1	Teaching and lecturing	B – Low
13.2	Direct learning support	B – Low
14	Preparation for life and work	A – Base
14.1	Foundations for learning and life	A – Base
14.2	Preparation for work	A – Base
15	Business, administration and law	A – Base
15.1	Accounting and finance	A – Base
15.2	Administration	A – Base
15.3	Business management	A – Base
15.4	Marketing and sales	A – Base
15.5	Law and legal services	A – Base

There are a small number of exceptions to the table shown above:

- Waste management and recycling in SSA 1.4 is weighted at B – Low.
- Agriculture needing specialist resources (which Lantra set each year) in SSA 3.1, 3.2 or 3.3 is weighted at G – Specialist (with an extra uplift for certain specialist providers).
- Hair and beauty in SSA 7.3 is weighted at C – Medium.
- Music technology in SSA 9.1 is weighted at D – High.
- Music practitioners in SSA 9.1 is weighted at E – Specialist.
- Entry level functional skills in maths is weighted at C – Medium.
- Functional skills in ICT is weighted at B – Low.

Annex 2

Area cost uplifts by region

London A 1.20		London B 1.12
Camden		Barking and Dagenham
City of London		Bexley
Greenwich		Havering
Islington		Redbridge
Kensington and Chelsea		Barnet
Lambeth		Enfield
Southwark		Waltham Forest
Westminster		Bromley
Wandsworth		Croydon
Hackney		Kingston upon Thames
Tower Hamlets		Merton
Lewisham		Richmond upon Thames
Newham		Sutton
Haringey		Brent
Hammersmith and Fulham		Ealing
		Harrow
		Hounslow
		Hillingdon

Bedfordshire and Hertfordshire Non-fringe 1.03

Central Bedfordshire	North Hertfordshire	Stevenage
Bedford	South Bedfordshire	Luton

Berkshire, Surrey and West Sussex Fringe 1.12

Bracknell Forest	Runnymede	Reigate and Banstead
Crawley	Slough	Tandridge
Elmbridge	Spelthorne	Waverley
Epsom and Ewell	Surrey Heath	Windsor and Maidenhead
Guildford	Woking	Mole Valley

Berkshire Non-fringe 1.12

Reading	Wokingham	West Berkshire
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Buckinghamshire Non-fringe 1.07

Aylesbury Vale	Milton Keynes	Wycombe
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Hampshire and Isle of Wight 1.02

Basingstoke and Deane	Hart	Rushmoor
East Hampshire	Havant	Southampton
Eastleigh	Isle of Wight	Test Valley
Fareham	New Forest	Winchester
Gosport	Portsmouth	

Cambridgeshire – 1.02

Cambridge	Huntingdonshire	South Cambridgeshire
East Cambridgeshire	Peterborough	Fenland

Hertfordshire and Buckinghamshire Fringe 1.10

Broxbourne	South Buckinghamshire	Watford
Chiltern	St Albans	Welwyn Hatfield
Dacorum	Three Rivers	East Hertfordshire
Hertsmere		

Kent and Essex Fringe 1.06

Basildon	Harlow	Thurrock
Brentwood	Sevenoaks	Dartford
Epping Forest		

Oxfordshire 1.07

Cherwell	Vale of White Horse	West Oxfordshire
Oxford	South Oxfordshire	

West Sussex Non-fringe 1.01

Adur	Arun	Worthing
Chichester	Horsham	Mid-Sussex

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