



Skills Funding
Agency

Funding Rates and Formula 2016 to 2017

Version 2

This document sets out the details of the 2016 to 2017 funding system used to fund activity paid for from the following budgets: 16 to 18 apprenticeships (including traineeships), 19 and over apprenticeships and the Adult Education Budget.

March 2016

Of interest to colleges, other training organisations and employers.

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WITHDRAWN

Introduction and purpose of the document

1. This document sets out the principles and features of our funding system for the 2016 to 2017 funding year (1 August to 31 July). We may make changes to these principles and features during the funding year.
2. This document describes how we calculate 'formula-funded' earnings for the Adult Education Budget (AEB) and for the apprenticeship budgets (16 to 18 and 19 and over). All 'formula-funded' activity is recorded under Funding Model 35 in the Individualised Learner Record (ILR), unless specifically noted, and covers:
 - traineeships and other AEB-learning (formerly known as classroom and workplace learning)
 - all apprenticeship frameworks (16 to 18 and 19 and over)
 - Learning Support associated with the above categories
3. This document does not include the 'non-formula-funded' activity within the AEB, which is reconciled through the claims process. This document does not describe the funding claim process. For more information on who has to submit a funding claim(s), refer to the [Adult Education Funding Rules](#) and the [Advanced Learner Loans Funding Rules](#).
4. To understand how the funding system works, read this document together with the following:
 - the suite of documents that comprise the [Funding Rules 2016 to 2017](#)
 - [Individualised Learner Record Specification 2016 to 2017](#)
 - [Maximum Loan Amounts for Advanced Learner Loans Designated Qualifications 2016 to 2017](#)

Changes since version 1 of this document

5. There have been two minor changes to version 1 published in January 2016:
 - paragraph 23: we have added the words “in Annex 2”
 - paragraph 54: we have removed some values from the exceptions table as these only apply to certain Sector Subject Areas (SSAs)

Understanding our terminology

6. The term ‘we’ refers to the Skills Funding Agency. When we refer to ‘you’ or ‘providers’, this includes colleges, Higher Education Institutions, training organisations, local authorities and employers that receive funding from us to deliver education and training.

Changes to the funding system from the 2015 to 2016 funding year

7. There are no significant changes to the funding calculation in the funding year 2016 to 2017. We will fund all learning aims at the same rate as the funding year 2015 to 2016. If we did not fund the learning aim in the funding year 2015 to 2016, we will use a Single Activity Matrix (SAM) to set rates for all eligible learning activity, including eligible qualifications. This will enable funding of planned activity, based on hours. This is to simplify the system by merging the existing matrices and supports the transition to local commissioning by enabling more flexibility to meet learners’ and employers’ needs locally. Refer to the [Funding Rules](#) for more information on planned activity.
8. We introduced the funding model for apprenticeship standards in the funding year 2014 to 2015, which continues in 2016 to 2017. For more information, refer to the [Apprenticeship Standards Funding Rules](#). For apprenticeships based on frameworks, we will continue to use the existing funding method.
9. For more information about the changes we have made in the funding year 2016 to 2017, refer to the [Funding Rates and Formula 2016 to 2017 – Summary of Changes](#) document.

The data we use to calculate funding

10. You give us information about learners and their learning using the [Individualised Learner Record](#) (ILR) and the [Earnings Adjustment Statement](#) (EAS). Our funding system uses this information to work out the funding you have earned for delivering this learning.

The funding system

Principles

11. Our funding system is based on the following four principles:

- i. **Fairness** – it offers learning opportunities to the most disadvantaged and improves learners' career prospects. The contribution the government makes reflects the relative costs of delivering provision.
- ii. **Transparency** – it is simple and easy to understand, and works for the benefit of all employers and learners.
- iii. **Recognising the diverse needs of adults** – it supports activity that provides employability skills and progression to higher-level technical and professional education.
- iv. **Protecting public funds** – it aims to find a satisfactory compromise between protecting public funds and giving providers the freedom and flexibility to meet the employers' and learners' needs.

Features

12. Our funding system has the following four features, which are set out in more detail throughout this document:

- i. **The funding formula**, including uplifts to the rates to account for the extra costs that you may experience when delivering learning to some types of learners and in some locations.
- ii. **The funding rates** for learning aims and work placements.

- iii. **The earnings method**, linked to delivery and achievement.
- iv. **Support funding** where extra help is needed for learners to achieve.

Funding formula

Principle

13. The funding formula is:

$$\text{Funding} = \text{rate} \times \text{disadvantage uplift} \times \text{area cost uplift}$$

14. We adjust the funding formula to allow for differences in the relative cost of delivery. These differences are related to factors other than the size, sector or subject of the learning aim. Where appropriate, we adjust funding for 'disadvantage uplift' or 'area cost uplift', or both.
15. The basis for funding is the rate for the learning aim. We refer to rates as 'unweighted' before we apply programme weightings or any increase for disadvantaged learners or area cost. After we apply the programme weighting we refer to the rate as 'weighted'. After we apply the uplifts we refer to the rate as the 'aim value', as noted in the 'PFR Skills Budget Occupancy report'.
16. In some cases we expect learners and employers to share responsibility for investing in skills. We expect them to part-fund the cost of learning, known as co-funding. For more information on co-funding, refer to the [Funding Rules](#).

Disadvantage uplift

17. The disadvantage uplift provides extra funding to support the most disadvantaged learners, recognising that they are sometimes more costly to recruit and retain. We apply this consistently across all AEB 'formula-funded' provision and apprenticeship frameworks. We do not apply this uplift to apprenticeship standards.

18. To calculate the disadvantage uplift we use the [Index of Multiple Deprivation](#) (IMD). This results in a funding increase for learners living in the most deprived areas of the country. It is based on a learner's postcode (based upon the 'Postcode Prior to Enrolment', as recorded in the 'Postcode' field on the ILR). If required the uplift factor is between 1.084 and 1.336, otherwise we default the factor to 1. The disadvantage uplift factors are available on the [Uplift Factors and Postcode Files](#) page of GOV.UK.
19. In the funding year 2015 to 2016 we used the IMD 2010 data; for the funding year 2016 to 2017 we will use the latest IMD 2015 data. We are using the latest IMD to ensure that this funding is earned in the areas that need it the most.
20. We will apply the same principles to the disadvantage uplift in the funding year 2016 to 2017 as we do with the funding rate. The disadvantage uplift factor at the start of the learning aim will apply throughout the duration of the learning aim. We will calculate funding for learning aims starting before 1 August 2016 using disadvantage factors based on the IMD 2010.

Area cost uplift

21. The area cost uplift reflects the higher cost of delivering training provision in some parts of the country, such as London and the South East. We apply this consistently across all AEB 'formula-funded' provision and apprenticeship frameworks. We do not apply this uplift to apprenticeship standards.
22. If required the uplift factor is between 1.01 and 1.20, otherwise we default the factor to 1. This is based on the 'Delivery' location postcode recorded in the ILR. As the delivery location of distance and e-learning provision is not set, we default the area uplift factor to 1. Annex 2 contains details of areas where we provide an area cost increase. The area cost uplift factors are available on the [Uplift Factors and Postcode Files](#) page of GOV.UK.

23. We will apply the same principles to the area cost uplift in the funding year 2016 to 2017 as we do with the funding rate. The area cost uplift factor at the start of the learning aim will apply throughout the duration of the learning aim. We will calculate funding for learning aims starting before 1 August 2016 using area cost factors based on those for the funding year 2015 to 2016. The area cost factors in Annex 2 are the same in 2016 to 2017 compared to 2015 to 2016.

Financial contributions

24. If a learner meets the criteria for full funding (refer to the [Funding Rules](#) for more information), they will receive the fully-funded rate shown in the matrix. For co-funded learners, we expect the learner or employer to make a contribution, therefore we will reduce the funding by:

- 50% of the un-weighted rate of the learning aim for non-apprenticeships
- 50% of the framework aim value for 19 and over apprenticeships

25. We reduce the funding for non-apprenticeships using the un-weighted base rate. This is because a learner should not be expected to contribute more for the same size of the learning aim just because that learning aim is more costly to deliver. This means that the government will contribute more towards learning aims with higher operational and delivery costs, such as engineering.

Large employers

26. We reduce funding by 25% for apprenticeship framework provision for those aged 19 and over where the framework is delivered to employees of large employers. We define a large employer as one with 1,000 employees or more.

27. We do not reduce the funding if:

- the provider is a Group Training Association
- the apprentice is studying a prescribed higher education (HE) learning aim in a higher apprenticeship framework

- the learning aim was previously recorded as workplace learning
- the individual is employed by any of the following:
 - registered charity
 - children's nursery
 - schools or further education college
 - university
 - community centre
 - Apprenticeship Training Agency

28. Employers with a direct grant contract with us have the reduction applied to all 19 and over apprenticeship frameworks. We will relax this rule where the direct grant employer is either:

- a registered charity
- OR
- is not classed as a large employer **and** does not plan to deliver large volumes of apprenticeship frameworks

29. We will apply the same principles to the large employer discount in the funding year 2016 to 2017 as we do with the funding rate. The large employer discount at the start of the learning aim will apply throughout the duration of the learning aim. We will calculate funding for learning aims starting before 1 August 2016 using the large employer list for the funding year 2015 to 2016. The large employer lists are available on the [Uplift Factors and Postcode Files](#) page of GOV.UK.

Recognition of prior learning

30. If you record data in the 'Funding adjustment for prior learning' field on the ILR, we change the funding formula to reflect this. However, it does not change Learning Support funding.

31. If the learning aim is not recorded on the ILR as a restart, the achievement funding is reduced as well as the monthly instalments. This is because the learner is assumed to have earned some achievement within the prior learning.
32. If the learning aim is recorded in the ILR using the restart indicator, the monthly instalments are reduced to take account of this, but the achievement funding stays at 20% of the full funding rate.

Other funding adjustments

33. Where you have agreement with us to adjust funding for other reasons apart from prior learning, you must record it in the 'Other funding adjustment' field in the ILR. You must not use this ILR field if you do not have an agreement in place with us.
34. This 'Other funding adjustment' factor reduces the funding for that learning, including the achievement funding; however, it does not change Learning Support funding.
35. If there is also a factor for prior learning recorded, we multiply the prior learning factor by the 'Other funding adjustment' factor and apply it to the appropriate funding.

Apprenticeships

36. An example of the method used to calculate apprenticeship framework funding is detailed in Annex 3. For details of the funding method for apprenticeship standards, refer to the [Apprenticeship Standards Funding Rules](#).

Funding rates

Principles

37. The list of regulated qualifications and apprenticeship frameworks eligible for public funding are on the learning aims search on [the Hub](#). We update this regularly. For more information about what is eligible for public funding, refer to the [Funding Rules](#).

38. We fund each learning aim, whether it represents a qualification or other learning activity, at the rate that applies when the learner starts that learning aim. This principle is the same for a new start in the funding year 2016 to 2017 and a continuing learner from previous years. This rate will apply for the full duration of the learning aim and does not change between funding years.
39. The amount you earn recognises the relative costs of delivering provision in different sectors and subjects, and we set the rates using the following criteria:
- regulated guided learning hours (GLH) where the qualification is part of the Regulated Qualifications Framework (RQF)
 - planned activity in hours – for non-qualification-bearing learning
 - activity costs – for apprenticeship frameworks
 - certain qualification types (refer to paragraph 54 for more information)

Funding rates for apprenticeships

40. For apprenticeship frameworks we set rates based on the activity costs information given to us by framework developers as part of the process for approving frameworks.
41. All learning aims have a published rate that includes any programme weighting. All rates shown are fully-funded rates for learners aged 19 and over.
42. Funding for apprenticeship frameworks depends on the learner's age. We increase funding for 16 to 18 apprenticeships by 7.23% and reduce funding for apprentices aged 24 or older by 20% (except for prescribed HE learning aims in higher apprenticeship frameworks).
43. For more information on how apprenticeship standards are funded, refer to the [Apprenticeship Standards Funding Rules](#).

Funding rates for the Adult Education Budget

44. All rates shown on [the Hub](#) are fully-funded rates for learners aged 19 and above for qualifications or other learning aims. We adjust these rates through the funding formula according to our policy (for example, if the government contributes only part of the full rate).
45. We will continue 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 fund these learners (not in sixth-form colleges, schools or academies) at 16 to 19 rates using the Education Funding Agency's (EFA's) 16 to 19 funding model. This is recorded under funding model 25 and the funding will be earned from the AEB.
46. There is a single set of rates for all provision from the AEB, no matter how that training provision is delivered.
47. For new starts funded from the AEB in the funding year 2016 to 2017, rates for qualifications are set using the funding rate that was set in 2015 to 2016. If a rate was not set in the funding year 2015 to 2016, rates for qualifications are set using regulated GLH; where GLH is not supplied, we will use Total Qualification Time (TQT). For activity that is not a regulated qualification, rates are set using planned hours. For more information on planned hours, refer to the [Funding Rules](#).
48. We group GLH, TQT or planned hours into funding bands to generate a funding rate. The rates are held in the SAM, with the rows representing the funding band and the columns representing the programme weighting.
49. We record activity that is not a regulated qualification using generic learning aims called 'class codes' (refer to Appendix H in the [ILR specification](#) for more information).

Programme weightings

50. Programme weightings recognise the relative costs of delivering training in different sectors and subjects, and are included in the published rates.

51. Programme weightings are set by referring to the SSA. For all regulated qualifications and components of qualifications, awarding organisations decide the SSA. These are recorded on the [Register of Regulated Qualifications](#) and the [Quality Assurance Agency](#) website. We set the SSA where multiple SSAs are recorded for components of qualifications along with a limited number of exceptions we have set. Full details of these are available in Annex 1.

52. Agriculture courses that need specialist resources (decided each year with support from Lantra) attract an extra uplift in the AEB and apprenticeship frameworks when delivered by providers with specialist resources.

The Single Activity Matrix

53. The SAM for the funding year 2016 to 2017 is set out in table 1:

Table 1: The single activity matrix for 2016 to 2017.

Funding band – hours	Activity type	Programme weighting (PW)				
		A – Base (unweighted)	B – Low	C – Medium	D – High	E or G* (specialist)
Up to 2	Very small provision (1)	£14	£16	£18	£22	£24
3 to 4	Very small provision (2)	£21	£24	£27	£34	£36
5 to 6	Very small provision (3)	£35	£39	£46	£56	£60
7 to 12	Small provision (1)	£50	£56	£65	£80	£86
13 to 20	Small provision (2)	£100	£112	£130	£160	£172
21 to 44	Small provision (3)	£150	£168	£195	£240	£258
45 to 68	Medium provision (1)	£300	£336	£390	£480	£516
69 to 92	Medium provision (2)	£450	£504	£585	£720	£774
93 to 100	Medium provision (3)	£600	£672	£780	£960	£1,032
101 to 196	Large provision (1)	£724	£811	£941	£1,159	£1,246
197 to 292	Large provision (2)	£1,265	£1,417	£1,645	£2,025	£2,176
293 to 388	Large provision (3)	£1,987	£2,225	£2,583	£3,179	£3,417
389 to 580	Very large provision (1)	£2,573	£2,882	£3,345	£4,117	£4,425
581 to 1060	Very large provision (2)	£4,170	£4,670	£5,421	£6,671	£7,172
1061 or more	Very large provision (3)	£6,602	£7,395	£8,583	£10,564	£11,356

*Some specialist provision receives an uplift if it is delivered by certain providers (paragraph 52).

54. Certain qualifications in table 2 have their funding band set as a matter of policy:

Table 2: The exceptions to the single activity matrix for 2016 to 2017.

Qualification type	Programme weighting (PW)				
	A – Base (unweighted)	B – Low	C – Medium	D – High	E or G* (specialist)
GCE AS-level	£724	£811	£941	£1,159	£1,246
GCE A-level	£1,987	£2,225	£2,583	£3,179	£3,417
GCSE	£724	£811	£941	£1,159	£1,246
GCSE short course	£300	£336	£390	£480	£516
Functional skills in English or maths	£724	-	£941	-	-
Functional skills in IT	-	£336	-	-	-
Access to HE	£3,022	£3,384	£3,928	£4,835	£5,197

55. To encourage enrolment of English and maths GCSE, AEB providers that deliver these qualifications to adults aged 19 and over will continue to receive a higher rate of £811. The full list of fundable English and maths qualifications is available on [the Hub](#).

56. Providers offering English for Speakers of Other Languages (ESOL) qualifications may need to deliver additional regulated learning to individual learners that incurs additional cost above the qualification rate. Where additional hours are required, you can record these on the ILR using the 'Additional delivery hours' field, as detailed in the [ILR specification](#) and the [Provider Support Manual](#).

57. To calculate the additional hours, subtract the maximum GLH value from the total GLH that are planned for the delivery of the qualification. The maximum GLH value refers to the funding band in the SAM for that qualification. For example, a qualification in the '21 to 44' band has a maximum GLH of 44.

58. We generate funding by matching the value of the additional hours to the SAM. The matrix value for that funding band is added to the original rate of the aim to give an overall rate for the learning aim. For the calculation of the additional amount, all ESOL aims are assumed to have the base programme weighting (A).

Traineeships

59. We will calculate funding in 2016 to 2017 using the same method as in the 2015 to 2016 funding year.
60. Where we have a contract with the provider, the funding follows our funding principles and we will calculate the earnings monthly.
61. Funding for 16 to 18 traineeships is calculated through the 16 to 19 EFA funding model. If the learner was 18 years old in the funding year 2015 to 2016, we will calculate the funding using the EFA's funding calculation and we will fund the learner from the AEB.
62. There are three aspects of 19 to 24 traineeship funding:
- i. The single work-placement and work-preparation rate of £970.
 - ii. GCSE English and maths (if required) or other qualifications to support progress towards GCSE English and maths at grades 5 to 9 (A* to C).
 - iii. A flexible element, designed to help the learner move into work or remove a barrier to them entering work.
63. We will fund English, maths and the flexible elements through the matrix using the same method as AEB-funded provision.
64. Work preparation learning aims do not generate funding as they are included within the single traineeship rate for work placement and work preparation. Work preparation learning aims are identified through the learning aims search on [the Hub](#) with a category of 'Work Preparation – SFA Traineeships'. This category is based upon the SSA 14.2 (Preparation for Work). For more information refer to the 'LARS Category Guidance' document on [the Hub](#).

65. You earn the achievement payment for the work-placement and work-preparation element when the learner has a successful outcome recorded on the ILR. For example, if the learner progresses to an apprenticeship, job or further learning as defined in the [Funding Rules](#).

Earnings method

Principles

66. The following principles apply to our approach to your earnings, excluding apprenticeship standards:

- funding is distributed over the duration of the learner's course, from starting the programme to achieving the expected outcome
- funding is directly linked to the learner completing their course and then achieving either learning aims or gaining employment
- you earn funding for what you deliver, when you deliver it

Qualifying period for funding

67. If a learner is in learning for at least the qualifying period, they are counted as a 'funding start'. We calculate this from the ILR 'Learning Start Date':

Length of the learning aim	Qualifying period
168 days	42 days
14 to 167 days	14 days
Fewer than 14 days	1 day

68. If the learner leaves before the qualifying period, you will not earn any funding. However, if you have already earned funding before the ILR 'Learning Actual End Date' is recorded we will reclaim the funding.

Distribution of funding over time

69. 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. This does not include 16 to 18 traineeships funded by the EFA, other EFA-funded learners, or learners we fund using the EFA's funding calculation.
70. For each learning aim we hold back 20% of the weighted rate, which we will only pay when the learner achieves their learning aim. For competence and knowledge components of apprenticeship frameworks, we pay it when the framework is achieved. All achievement elements are earned on the learning actual end date recorded on the ILR, except for those in 19 to 24 traineeships, which are earned on the achievement date.
71. We work out the monthly instalments once we have removed the achievement element (20%). We spread out these instalments over 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.
72. If the learner leaves early, the monthly instalments stop. However, for eligible learners we will pay you a job outcome payment which is half of the achievement element. 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. For more information on job outcomes, refer to the [Adult Education Funding Rules](#).
73. Figure 1 is an example of the earnings method for a learner starting a course in September and achieving in June. It shows how a course with a total cost of £1,000 would be earned over the nine-month period: nine monthly on-programme payments (OPP) of £80, plus a double monthly OPP (that is, $n+1$) of £160 in the first month and an achievement payment of £200 upon completion.

Figure 1: Example of the earnings methodology.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	9-month learning aim											
Payment instalments		OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	Achievement payment	
		OPP										
Payment example		£160	£80	£80	£80	£80	£80	£80	£80	£80	£200	

Annual funding cap

74. An annual funding cap applies to each learner you have for each year across all AEB-funded provision; it does not apply to apprenticeships.
75. The annual funding cap is £4,400 for each learner each year, before we apply any weightings or government contributions. If your planned training provision is above this cap, we will reduce your earnings in line with this.

Support funding

Learning Support

76. This funding comes from the 16 to 18 apprenticeships budget, the 19 and over apprenticeship budget, or for 19 to 24 traineeships from the AEB.
77. If you are claiming Learning Support for a learner who is studying an apprenticeship learning aim and a non-apprenticeship learning aim in the same month, we will attribute the funding to the appropriate apprenticeships budget (16 to 18 or 19 and over).
78. You 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 providing support to a learner exceeds the total earned from the fixed monthly rate, you can claim this excess through the [Earnings Adjustment Statement](#) (EAS).

79. If you plan to deliver the learning aim in less than one calendar month you must claim the value of the Learning Support as if it were all excess, using the EAS.

80. If Learning Support is more than £19,000 you can claim Exceptional Learning Support using the EAS. For more information, refer to the [Funding Rules](#).

Learner Support

81. This funding comes from the 16 to 18 apprenticeships budget, the 19 and over apprenticeship budget, or for 19 to 24 traineeships from the AEB. You claim this support funding using the EAS. For more information, refer to the [Funding Rules](#).

Prince's Trust Team Programme

82. The Prince's Trust Team Programme is for 16- to 25-year-olds. It is a 12-week course designed to improve confidence, motivation and skills. Each team aims to recruit a mix of 16- to 25-year-olds of different abilities and backgrounds, including employees sponsored by their employers. We fund the teams but providers in partnership with the Prince's Trust manage them locally.

83. We will continue to fund the Prince's Trust Team Programme at the same levels as in the funding year 2012 to 2013. As such, you will earn the matrix rates for the award or certificate in 'Employment, Teamwork and Community Skills'.

84. You can claim additional funding from the qualification rate up to the value of the programme rate, where applicable, using the 'Authorised Claims' section on the EAS. Table 3 shows the matrix funding rates and the maximum programme rate where appropriate:

Table 3: The rates for the Prince's Trust Team Programme 2016 to 2017.

	Award		Certificate	
	Fully-funded	Co-funded	Fully-funded	Co-funded
Matrix funding rate for aim	£450	£225	£1,265	£633
Maximum programme cost for				
...Unemployed learners	£2,670	£1,335	£2,670	£1,335
...Employed learners	£572	£286	£572	£286

Annex 1: Programme weightings by Sector Subject Area

Programme weightings are linked to the SSA. We only use SSA Tier 1 where an aim does not have a Tier 2 SSA assigned.

SSA	SSA Tier 2 description	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 wellbeing	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
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

SSA	SSA Tier 2 description	Likely programme weighting
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
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

The exceptions to this table are:

- Waste management and recycling in SSA 1.4 is weighted at ‘B – Low’
- Agriculture needing specialist resources in SSA 3.1, 3.2 or 3.3 is weighted at ‘G – Specialist’, with an extra uplift for certain specialist providers (paragraph 52)
- 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

Annex 3: Example of earnings for apprenticeship frameworks

We have used the Composite Engineering intermediate framework at Level 2. This framework contains Functional Skills qualifications in English, maths and Information and Communication Technology as common components. The common components vary between frameworks, with some requiring none; however, we have included these components in table 4 for illustrative purposes.

Table 4: An example of calculating apprenticeship funding.

Aim details			Published Weighted Funding Rate	Earnings		
Aim reference	Aim title	Competency element type		16-18	19-23	24+
60080851	Level 2 NVQ Diploma in Composite Engineering	Competency aim	£1,968	£2,110	£984	£787
60008805	City & Guilds Level 2 Certificate in Engineering	Knowledge aim	£2,267	£2,431	£1,134	£907
50089109	Functional Skills in mathematics Level 1	Functional Skills (Common Component)	£724	£471	£362	£290
50087009	Functional Skills in English Level 1	Functional Skills (Common Component)	£724	£471	£362	£290
60000302	Functional Skills in ICT Level 1	Functional Skills (Common Component)	£345	£224	£173	£138
Total framework earnings				£5,707	£3,015	£2,412

All published funding rates are the fully-funded rates for learners aged 19 to 23. Some programme weightings are still used for funding apprenticeships that are no longer used in the matrix: F (1.4), H (1.2), J (1.25), K (1.5) and L (1.15).

We have calculated the earnings in the table above according to the principles in paragraph 42. These are a 7.23% increase in funding for learners aged 16 to 18 and a 20% reduction in funding for learners aged 24 or older.

The details of these are below and exclude any potential adjustments, including:

- a 25% reduction for learners who are employees of large employers
- adjustments for area cost and disadvantage uplift, if applicable
- any values recorded in the ILR fields 'Funding adjustment for prior learning' or 'Other funding adjustment'

Competency/knowledge aims (example aim 60080851)

The calculated earnings for competency/knowledge aims are:

Published Weighted Rate x Age Adjustment x Co-funding Factor

Table 5 shows an example of how we calculate funding for these aims.

Table 5: Calculating funding for competency and knowledge aims.

Age Band	Published Weighted Rate	Age Adjustment Factor	Co-funding Factor	Calculated Rate
16 to 18	£1,968	1.0723	1	£2,110
19 to 23	£1,968	1	0.5	£984
24+	£1,968	0.8	0.5	£787

Common component Functional Skills (example aim 60071825)

A change in co-funding proportion was introduced in the funding year 2013 to 2014.

To ensure that provider earnings remain the same as the funding year 2012 to 2013 for 16- to 18-year-olds, a 60.61% adjustment is applied to Functional Skills aims.

The calculated earnings for Functional Skills are:

Published Weighted Rate x Age Adjustment x Co-funding Factor x Functional Skills Adjustment

The calculated rates in table 6 are reflected in a provider's 'PFR Skills Budget Occupancy Report', assuming that the learner completes and achieves the framework in full. In this funding report, the calculated rate above is the 'aim value' column minus the 'Non-govt contribution' column.

Table 6: Calculating funding for functional skills aims.

Age Band	Published Weighted Rate	Age Adjustment Factor	Co-funding Factor	Functional Skills Adjustment	Calculated Rate
16 to 18	£724	1.0723	1	0.6061	£471
19 to 23	£724	1	0.5	1	£362
24+	£724	0.8	0.5	1	£290



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