

A Guide to Funding Unit Delivery

December 2011



In partnership with



Introduction

From 1st August 2011 the Skills Funding Agency (Agency) will fund individual units from the Qualifications and Credit Framework (QCF) when delivered to eligible unemployed learners and through provision delivered as part of the Offender Learning and Skills Service (OLASS) and the Joint Investment Programme. Units can also be funded as part of ESF Response to Redundancy.

The delivery of units to unemployed learners is part of the new flexibilities available under the 2011/12 Single Adult Skills Budget (SASB) covering mainstream delivery to 19+ learners.

The Agency has strict guidance on which unemployed learners are eligible for funding support and these are set out in the document Learner Eligibility and Contribution Rules 2011/12 published in May 2011. The Agency has now issued version 2.1 of this document http://readingroom.lsc.gov.uk/SFA/LearnerEligibilityandContributionRules_2011_12_12Aug2011__June_revision_V2.1.pdf

Any revisions to the Agency's Funding Requirements will be notified to providers using their UPDATE communication.

Purpose of this guide

This guide is designed to provide an introduction to the issues independent training providers need to consider when starting to utilise the Single Adult Skills Budget to deliver individual units of learning to the unemployed.

Contents

Page 3	The Benefits of Unit Delivery
Page 5	Publicly Funded Unit Delivery
Page 7	Technical and Funding Issues

The Benefits of Unit Delivery

All qualifications within the Qualifications and Credit Framework (QCF) are made up of units of learning. The QCF for the first time gives the sector an overarching framework within which units can be built up to create a 'full' qualification. In the past the government funding agencies tended to only pay for 'full' qualifications so it was not possible to engage with some learner groups because they did not have the confidence or even the need to complete the full qualification. Within the QCF, providers now have the chance to engage with learners and employers that only need or want to complete specific units of qualifications.

Which Learners Might Benefit from Unit Delivery?

The Agency is determined to encourage full use of the flexibilities offered by the QCF whether the provision is fully funded, co-funded or commercial provision where the individual or employer covers all of the costs of delivery. Co-funding represents the situation where the government provides funding of 50% of the national rate and the learners or the employer is expected to contribute the other 50% of the cost of delivery. There are a number of groups that would benefit from the delivery of individual units.

- unemployed people that need short programmes to support them back into work
- older workers that have been doing their jobs for many years but the skill needs are changing
- groups of workers that need specific skills or knowledge to progress within their career
- learners that aspire to do a full qualification but need to boost their confidence before making the commitment to the full qualification
- employers' wishing to 'upskill' or 'reskill' their workforce.

The opportunities arising from individual unit delivery are therefore extensive. It is often a complex decision as to whether a learner would benefit from the delivery of individual units of study or the full qualification. Providers will be involved in providing advice and guidance to learners and employers about the best route to take. The key driver should be the needs of the learner in terms of getting to their longer term learning objective in the most effective way.

All providers must be able to offer a flexible delivery methodology that can reflect the learners' and employers' needs, giving them as many options as possible. This does mean that providers have to consider the cost of this delivery flexibility, any additional costs will need to be balanced against the benefits of delivering what the customer wants.

The development of programmes based around the delivery of single units will offer providers the chance to engage employers that have previously not taken advantage of subsidised training for those learners who are eligible. This may be because they have a preconception about the bureaucracy around government supported training or that they want a targeted training programme. By creating programmes that address very specific employer needs, providers have an opportunity to get employers

to make a contribution to the cost or to develop programmes where the employer meets the full cost and there would be no government subsidy. Increasingly providers will create a mixture of fully funded, co funded and fully commercial programmes to meet the needs of employers.

This extract from the Agency's briefing on single unit delivery confirms this approach:

“We want to understand how flexible delivery can support learners to work towards a target qualification in smaller steps and in particular, how flexible delivery might successfully engage learners who would not otherwise have the opportunity of achieving a target qualification or not be able to commit to a qualification in one go. We also want to work with providers in raising the awareness and understanding of employers in terms of flexible delivery and the opportunities for co investment it may offer.”

Publicly Funded Unit Delivery from 2011/12

From 1st August 2011 all providers with a contract with the Skills Funding Agency will be able to deliver individual units of qualifications to learners that are unemployed if they meet the Agency eligibility criteria set out in their Guidelines for Eligibility. This is the first time that all providers will have this opportunity to deliver single units and take full advantage of the flexibility of the QCF within their mainstream contracts rather than as part of a specific contract such as OLASS or as part of a pilot.

The Unit Offer - 2011/12

From 2011/12 the Skills Funding Agency is supporting the delivery of QCF units to a range of learners in a range of contexts:

- to unemployed learners on active benefits i.e. Employment and Support Allowance - Work Related Activity Group (ESA - WRAG) and Job Seekers Allowance (JSA). This will be fully funded by the Agency.
- to other unemployed individuals on a wider range of benefits, who want to enter work and need skills training to help them do so. These learners can be fully funded, at the providers' discretion.
- as part of the OLASS offer. This will be fully funded by the Agency.
- as part of the Joint Investment programme. This will be co funded by the Agency.

Outside of the above, the Agency will not support unit delivery on either a fully funded or a co funded basis.

The extension of funding for unit delivery to those groups in receipt of state benefits was announced in August 2011 and this represents a significant extension to the opportunities to deliver unit based programmes to get people back into work. Please check the recently updated Agency document covering eligibility and evidence.

The Agency will specify which units will be eligible for funding and these will be included on the Learning Aims Reference Application (LARA), which has replaced the Learning Aims Database (LAD) for 2011/12. The LAD will still retain the historical data. Each qualification that is eligible for funding as a single unit will have a funding rate listed on LARA. More information about this can be found on the Data Service web site.

The QCF allows providers to develop learning programmes that are based on single units that make the offer more attractive to some groups of learners because it is in 'bite size' chunks and therefore focuses specifically on what the employer needs.

Although at this stage the single unit delivery to employed learners is not funded by the Agency, learning providers could offer programmes based on unit delivery as long as the full costs are met by the employer. Once engaged in learning it may be possible to extend the delivery to programmes that are eligible for state funding, i.e. Apprenticeships. Delivering flexible programmes based on QCF units could be part of a mixture of services provided to employers combining fully funded, co funded and commercial programmes.

The Unit Funding Pilot

Since 2009 the Skills Funding Agency has been running a pilot scheme to test the benefits and practical issues around the funding of units. The Agency will be using the experiences of this pilot to extend the opportunity to deliver single units of learning to eligible unemployed learners. In 2011 a number of independent training providers were included in the pilot.

The pilot has highlighted the benefits of being able to deliver single units of learning as a way of engaging learners and employers that would otherwise not be involved in supported learning.

Technical Issues – Skills Funding Agency Funding and Contracting

The Single Adult Skills Budget (SASB) contract from the Agency covering all 19+ delivery for providers will be effective from 1st August 2011. It will enable all of the Agency's approved providers to deliver training to eligible unemployed learners as set out in the Agency Eligibility Rules for 2011/12. The eligibility rules have changed from 2010/11 so providers should check the guidelines very carefully. Changes to learner's eligibility are published in the Agency's provider update so providers need to make sure they keep themselves up to date with the latest information. If unemployed learners are eligible for support in line with the eligibility rules then it follows that the provider can receive funding for single unit delivery.

Providers will be funded through their SASB contract with the Agency and the funds will be drawn down from their 19+ allocations. There is no separate budget for the delivery of single units; delivery must be funded with provider's existing allocation.

Unit Delivery

The focus of delivery to the unemployed is the development of work related skills to ensure the early achievement of a sustainable job. Unit delivery gives providers even more flexibility in responding to the needs of the eligible group of unemployed learners and the ability to deliver exactly what each individual needs to get a job.

The Agency has approved a list of units that are available for delivery. These are listed in the Learning Aims Reference Application (LARA), the replacement for the Learning Aims Database (LAD). Providers must be aware of the rules of combination in making their selection of units for the learners and this should be part of the advice and guidance offered to individuals. The choice of units should ensure a natural progression to the appropriate full award. Clearly the providers must have approval from the appropriate Awarding Organisation (AO) to deliver and certificate the learning.

Recording the Learning

Recording of the learner and unit(s) will be collected through the single Individualised Learning Record (ILR). Providers are expected to complete all the ILR fields in compliance with guidance published by the Information Authority for mainstream funded provision through their Single Adult Skills Budget.

Individual Learning Plan (ILP)

Providers will be required to produce an Individual Learning Plan for individual learners. The ILP, as in all training programmes, should record the key elements of the agreed plan. The ILP is a record of evidence that providers will need to maintain for audit purposes.

Funding Rate

Each unit listed on the LARA will have a rate attached for funding purposes. This rate will apply to all providers. Where learners are entitled to full fee remission, providers are not allowed to charge course fees.

Providers are required to hold evidence to support the amounts claimed for single unit delivery in line with the guidelines for all other delivery.

Outcome Incentive Payments (OIP)

All colleges and independent training providers have received a funding statement which highlights 2.5% of their 2011/12 Adult Skills Budget funding allocation attributed to the achievement of job outcomes for learners. 2011/12 will be a transitional year and these payments will not be directly linked to actual job outcomes. Instead the payments will be made to support the setting up of the infrastructure required to deliver programmes to the unemployed.

The type of investment this fund will support will be the creation of new content and programmes which will include the development of unit delivery, developing the skills required and even setting up the physical learning environment in terms of learning spaces and e-learning for example. The money can also be used to define the key stakeholders in their locality and to make significant progress engaging with them in preparing to develop a more formal offer in 2012/13. Providers will need to build good relationships with their local Job Centre Plus staff.

Colleges will be paid for this provision as part of their combined payment profile. Independent training providers will claim their 2.5% through the Training Provider Statement (TPS) throughout the year. Further guidance on how to claim through the TPS will be covered in the Funding Requirements documents published by the Agency.

Providers have the option of converting this fund to mainstream funding but this would mean that they will be disqualifying themselves from a Job Outcome Incentive payment allocation in 2012/13. Providers would need to consider this option very carefully indeed.

Certification

All units delivered with funding support must be supported by a valid certificate issued by the appropriate AO in line with the Agency guidance. Providers should approach the relevant AO to check that their systems and processes can support this.

Success Rates

In Guidance Note 7 the Agency states that unit delivery is not currently covered by the success rate calculation methodology and therefore the success rates of unemployed learners will not affect success rates. However the Agency is giving the issue of success rates further consideration and will publish additional guidance in due course.



Association of Employment and Learning Providers
Colenso House
46 Bath Hill
Keynsham
Bristol
BS31 1HG
t 0117 986 5389
e enquiries@aelp.org.uk
www.aelp.org.uk



Learning and Skills Improvement Service
Friars House
Manor House Drive
Coventry
CV1 2TE
t 024 7662 7900
e enquiries@lsis.org.uk
www.lsis.org.uk