

# A guide to understanding funding when developing Foundation Learning programmes for 16–18 learners

Foundation Learning Support



**Foundation Learning Support is delivered  
by LSN on behalf of the Learning and Skills  
Improvement Service (LSIS).**

Published by LSN on behalf of LSIS

[www.lsnlearning.org.uk](http://www.lsnlearning.org.uk)

Registered with the Charity Commissioners

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CIMS 100157PD

ISBN 978-1-84572-984-4

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at August 2010

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This is a guide to funding as interpreted by LSIS. It has no legal status and where any discrepancy exists between this guide and the Young People's Learning Agency's (YPLA) funding guidance as published on their web site the YPLA's guidance takes precedence.

See: [www.ypla.gov.uk/aboutus/ourwork/funding](http://www.ypla.gov.uk/aboutus/ourwork/funding)

## Acknowledgements

We would like to thank Lynne Clough, Lead Facilitator on the LSIS Foundation Learning Support programme, for producing this publication. Thanks are also due to colleagues at DfE, LSIS and YPLA, who commented on the text.

# 1

## Who this guide is for

This guide has been written for curriculum managers and practitioners who are responsible for managing, designing and implementing Foundation Learning programmes for 16 to 18 year old learners and those aged 19–25 with learning difficulties and/or disabilities (LLDD) that are funded by the Young People’s Learning Agency (YPLA). This guide may also be of interest to those in local authorities, responsible for post-16 provision, who need to understand funding arrangements. Finance managers within providers will find the more detailed funding documents, published by the YPLA, to be of greater benefit.

This guide aims to provide a simple overview of how Foundation Learning is funded within the context of the YPLA’s demand-led funding methodology. Those staff in particular who are responsible for designing Foundation Learning programmes will find this information useful, enabling them to design learning programmes that both meet the needs of learners and are financially viable. It will also support those MIS and finance staff who are responsible for completing learners’ individual learner records (ILR) and ensuring that the correct levels of funding can be generated.

The contents of the guide have been informed by feedback from post-16 providers working to implement Foundation Learning and the types of information and support frequently sought by providers from LSIS Foundation Learning consultants.

The resource covers:

- Understanding the demand-led funding formula
- Understanding and planning your learner-responsive funding allocation
- Recording learner information on the ILR
- Using the QCF to support learner achievement
- Further sources of information
- A glossary of key terms used in this guide.

# 2

## What is Foundation Learning?

Foundation Learning is a national programme of learning for learners working predominantly at Entry level or Level 1. It offers a personalised and flexible programme of learning which includes:

- Vocational or subject learning
- Personal and social development (PSD)
- Functional skills in English, mathematics and information and communication technology (ICT).

Learners' achievements are accredited using qualifications mainly from the Qualifications and Credit Framework (QCF) and functional skills. The QCF enables learners to build up their learning in units towards a qualification of one of three sizes: Award, Certificate or Diploma. QCF qualifications eligible for use in Foundation Learning programmes are listed on the National Database of Accredited Qualifications ([www.accreditedqualifications.org.uk](http://www.accreditedqualifications.org.uk)).

Foundation Learning programmes are designed to provide clear and coherent progression routes to higher level learning and other goals. This may be towards a learning programme at Level 2, a return to GCSE study, skilled work or apprenticeship programme, or towards independent living or supported employment.

Programmes are supported by information, advice and guidance (IAG), effective initial assessment, comprehensive ongoing review and provider collaboration.

From 1 August, all provision for 16 to 18 year olds working at Entry level and Level 1 within post-16 colleges, independent specialist colleges and work-based learning providers, including former Entry to Employment (E2E) provision, should be delivered through Foundation Learning.

# 3

## Understanding the demand-led funding formula

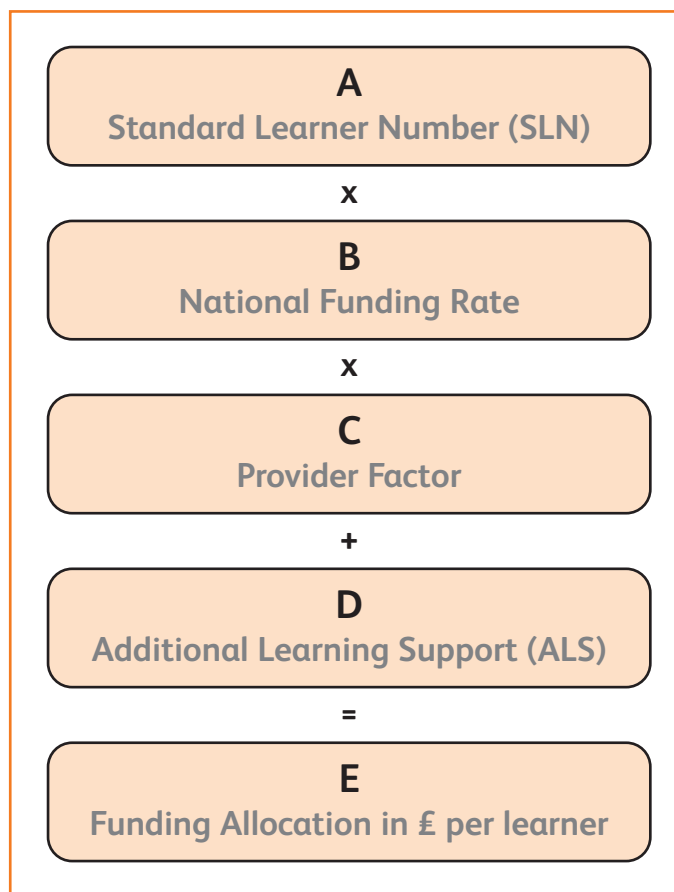
It is important that Foundation Learning curriculum managers have some degree of understanding of the demand-led funding formula as they will be responsible for designing personalised Foundation Learning programmes for learners that can support their progression. They will also need to ensure that these are financially viable and are within the constraints of the provider's financial allocation (see Section 4 for further information on understanding and planning your financial allocation). Finance Managers will be in a position to advise on the provider's financial allocation for Entry and Level 1 provision.

Foundation Learning is funded through the YPLA's 16–18 learner-responsive funding stream using the demand-led funding methodology.

The funding formula includes four variables:

- Standard Learner Number (SLN) size of a qualification or programme
- National Funding Rate
- Provider Factor
- Additional Learning Support (ALS).

To calculate the funding for each learner on a Foundation Learning programme, the following calculation is performed:



Each of the variables is explained in more detail on the following pages.

## How does this funding formula differ from funding for Entry to Employment (E2E) programmes?

E2E funding has used this methodology for two years, although E2E had a weekly SLN value rather than a qualification SLN value, and was typically expressed as a weekly funding value with entitlement funding and the ALS element included.

### A: Standard Learner Number

The SLN value is a measure of the amount of activity associated with a qualification or a learning aim. Each qualification/learning aim has an SLN value that reflects the size of the learning aim, irrespective of its duration. The maximum that a learner can be funded for is 1.75 SLN in any academic year. Within Foundation Learning curriculum managers need to be aware that SLNs can be generated or drawn down in several different ways including:

- a) *Listed qualification aims*
- b) *Unlisted qualification aims*
- c) *Foundation Learning weekly funding*
- d) *Non-externally certified learner-responsive provision*
- e) *Entitlement funding*
- f) *E2E carry over weeks.*

In planning the Foundation Learning curriculum and personalised learning programmes curriculum managers will therefore need to identify the following.

- Which QCF and functional skills qualifications they will use and how will they package these to plan personalised programmes which support progression?
- How many learners will undertake a Foundation Learning programme from day 1?
- How many learners will not be ready to undertake qualifications from day 1?
- What provision will be offered to learners who are not yet ready to undertake external qualifications and how long will this last?
- Any learners whose personal circumstances might dictate a break between undertaking different qualifications.
- How many learners will be carried over from E2E and how long on average is each learner likely to stay before they leave?

### a) Listed qualification aims

Listed qualification aims are those which have a specified number of guided learning hours (glh). This information can be found on the Data Service's Learning Aim Database (LAD). The SLN value is calculated by dividing the number of SLN guided learning hours for a particular qualification by 450. 1 SLN therefore is equal to 450 guided learning hours. To find an SLN value on the LAD, go to:

- [www.thedataservice.org.uk/Services/DataCollection/software/lad/](http://www.thedataservice.org.uk/Services/DataCollection/software/lad/)
- Click on Provider Extranet LAD
- Click on 'Search LAD'
- Enter the qualification reference number in 'Awarding Body Aim Reference' or enter the title of the qualification in 'Title'
- Click 'Search'.

For 16 to 18 year old learners, providers can only claim funding for delivering full qualifications. It is not possible to claim funding for individual units or credits. The only exception to this is where a learner may already have achieved some credits towards the qualification that they are undertaking, and the provider's funding would be adjusted accordingly – see Section 5 for information on how to record this on the learner's ILR.

#### Example – Standard Learner Number (SLN) calculation for a QCF listed qualification aim

Edexcel's BTEC Certificate in WorkSkills has 130 glh – the SLN value is therefore  $130/450 = 0.29$

City and Guilds Award in Employability and Personal Development has 64 glh – the SLN value is therefore  $64/450 = 0.142$

### b) Unlisted qualification aims

Unlisted qualification aims are those appearing on the LAD which do not have a specified number of SLN glh. The provider therefore plans how many hours will be required to deliver the qualification and the YPLA funding will be based on that figure. Functional skills qualifications, where funded through the learner-responsive budget (but NOT where funded through the Employer Responsive budget), and Entry 1 Awards, Certificates and Diplomas, which use the ten step achievement continuum such as the QCF Personal Progress qualification, are classed as 'unlisted' qualifications. A list of recently unlisted qualifications can be found in Annex B in *16 to 18 Funding Guidance 2010/11: Funding Rates*, Version 1, YPLA, March 2010.<sup>1</sup>

Where providers have already begun to deliver these types of qualifications, historical data might help them determine what would be an appropriate number of planned hours. If Foundation Learning staff are delivering such qualifications for the first time they might find it helpful to talk to colleagues in other departments or other providers who

<sup>1</sup>  
16 to 18 Funding  
Guidance 2010/11:  
Funding Rates, Version 1,  
YPLA, March 2010,  
[http://readingroom.ypla.gov.uk/ypla/funding\\_rates\\_and\\_formula\\_201011\\_v2.pdf](http://readingroom.ypla.gov.uk/ypla/funding_rates_and_formula_201011_v2.pdf)



already have some experience of delivering these qualifications. Curriculum staff will want to think about how they can evidence their delivery of planned learning hours in case they are asked to provide this information during audits or inspections.

To calculate the SLN value for an unlisted qualification for financial planning purposes a provider will determine the number of **planned** learning hours (as entered onto the ILR) and divide this figure by 450.

#### Example – SLN calculation for an unlisted qualification aim

A provider which plans to deliver functional skills in mathematics for a learner in 60 hours will determine the SLN value by dividing  $60/450 = 0.13$

A provider which plans to deliver the Entry 1 Certificate in Personal Progress in 400 hours will determine the SLN value by dividing  $400/450 = 0.89$

Foundation Learning curriculum managers and tutors are likely to design personalised programmes which include a combination of both listed and unlisted qualifications and therefore the SLN values for each of the qualifications which the learner will undertake are simply added together to give a total SLN for each learner.

#### Example – Calculating the SLN value for an individual learner

Learner A is undertaking the following qualifications as part of their Foundation Learning programme which includes listed and unlisted qualifications:

Learner A	Listed guided learning hours	Planned guided learning hours*	Standard learner number value
Edexcel Level 1 BTEC Certificate in Construction	130	150	0.29
Edexcel Level 1 BTEC Certificate in WorkSkills	130	130	0.29
Award in Functional Skills English (E3)		45	0.10
Award in Functional Skills Mathematics (L1)		50	0.11
Award in Functional Skills Information and Communication Technology (L1)		36	0.08
<b>TOTAL SLN VALUE</b>	–	–	<b>0.87</b>

\*Even though planned glh is not used for listed qualifications it still needs to be entered onto the ILR. This is important because where the qualification is listed it is used to review and if necessary update the listed glh for funding purposes. Also, in all cases it is the planned glh that is taken into account in the calculation for entitlement funding eligibility.

Curriculum staff should be aware that a learner is only deemed to have started a learning aim for funding purposes once they have reached the appropriate qualifying period, as identified by YPLA<sup>2</sup>. The qualifying periods are shown in the table below:

Total Length of Learning Aim	Qualifying Period
24 weeks or longer	6 weeks
From 2 to 24 weeks	2 weeks
Less than 2 weeks	1 learning engagement

### *c) Foundation Learning weekly funding*

Through recruitment and initial assessment activities, curriculum staff may identify some learners who are not immediately ready to commence qualifications from day 1 of their programme perhaps because they require an extended period of initial assessment, orientation and preparation. With the large number of qualifications now available on the QCF at different levels and sizes (over 1000 at Entry level and Level 1), it is anticipated that this will probably be for a minority of learners. This facility will ensure, however, that curriculum staff can offer all learners a suitable programme of learning. Similarly, some learners due to their personal circumstances may require breaks between undertaking qualifications. Foundation Learning weekly funding can be used to support them during this period providing they remain in learning.

Providers have the facility to set aside 10% of their SLNs for new starts into Foundation Learning weekly funding. Where this is planned to exceed 10%, a provider is required to make a business case to their local authority and gain approval. If planning or delivery indicates that more than 10% of SLNs will be needed, Foundation Learning curriculum managers should seek advice in the first instance from their manager or department head. Further information on this can be found in *A Guide to Funding Foundation Learning*, YPLA, 2010.

The example on the next page shows how to calculate the amount of SLNs to be drawn through Foundation Learning weekly funding.

### Example – Calculating the amount of SLNs to be drawn through Foundation Learning weekly funding

A	Identify the number of learners who are unlikely to be ready to start qualifications at the beginning of their programme	30
B	Identify the number of weeks each individual learner is likely to require before they are ready to start qualifications (historic initial assessment data may usefully support this process). Add up the total number of weeks for all learners and divide this figure by the total number of learners to give an average number of weeks.	10
C	<b>A x B</b>	300
D	<b>C x 0.027 SLN (weekly SLN value for FL weeks)</b>	<b>8.1 SLN*</b>

\* This figure should not exceed 10% of the provider's SLN volume for new starts i.e. after any carry over learners have been taken account of, without prior approval from their local authority.

#### *d) Non-externally certified learner-responsive provision*

Non-externally certified learner-responsive provision can fall under several different guises.

In planning the Foundation Learning curriculum, staff may identify some of their existing non-accredited provision which they cannot currently convert to functional skills or suitable QCF provision. This might include, for example, job coaching and supported employment provision which needs to be funded for learners with learning difficulties and/or disabilities. Similarly providers might use their own internal accreditation schemes or use qualifications, such as the Duke of Edinburgh's Award scheme, which are externally accredited but not on the QCF. They may also need to continue to use existing NQF qualifications if no suitable replacement yet exists on the QCF.

YPLA have agreed that for 2010/11 this non-externally certified provision can be funded although a provider does need to gain approval for this from their local authority in advance. The amount of planned learning hours will be used to determine the SLN value as for unlisted qualifications.

#### *e) Entitlement funding*

The entitlement funding aims to support providers in delivering the activities that support the delivery of qualifications, such as initial assessment, induction and progress reviews, enrichment/engagement activities and tutorials. Staff in FE institutions are likely to be familiar with entitlement funding but it will be a new concept to former E2E providers. All full time learners, i.e. those who are enrolled on a programme of both listed and unlisted qualifications that is planned to be delivered in 336 glh or more in any 12 months, are eligible to receive entitlement funding.

The 336 glh is based on the planned hours the provider enters onto the ILR and not the listed value of the qualifications. The additional funding for entitlement represents the value of 114 glh per year or 0.253 SLN.

Within Foundation Learning, learners will be on personalised programmes of varying size and therefore they may not all generate the additional entitlement funding. Curriculum managers will need to estimate the number of learners who are likely to attract the entitlement funding and determine the associated funding. They should use the funding to provide activities and support for all learners.

The example below shows how the SLN value for a learner's programme is calculated when the entitlement is included.

### Example – Calculating the SLN value for an individual learner including the entitlement funding

Learner B is undertaking the following listed and unlisted qualifications as part of their Foundation Learning programme

Learner B	Listed guided learning hours	Planned guided learning hours	Standard learner number value
Edexcel Level 1 BTEC Certificate in Construction	130	150	0.29
Edexcel Level 1 BTEC Certificate in WorkSkills	130	130	0.29
Award in Functional Skills English (E3)		45	0.10
Award in Functional Skills Mathematics (L1)		50	0.11
Award in Functional Skills Information and Communication Technology (L1)		36	0.08
<b>TOTALS</b>	<b>260</b>	<b>411*</b>	<b>0.87</b>
<b>ENTITLEMENT FUNDING</b>			<b>0.253</b>
<b>TOTAL SLN VALUE + ENTITLEMENT FUNDING</b>			<b>1.123</b>

\* As the planned glh exceeds 336 hours the entitlement funding is awarded.

### f) E2E carry over

For E2E providers an important activity will be to identify how many E2E learners they will carry over into the new financial year, i.e. 1 August 2010, after E2E has officially ended as a discreet learning programme and become part of Foundation Learning. These learners are entitled to complete their E2E programme, providing they do so before 31 July 2011. A provider will also need to determine the amount of weeks on average

learners will stay on E2E programmes and any bonus payments that are likely to be generated. MIS managers may be able to support curriculum staff in carrying out this exercise by providing relevant data from previous years. Funding for E2E carry over learners is included within a provider's financial allocation and needs to be estimated **before** the real value of the 10% flexibility on the remaining allocation can be understood.

E2E carry over learners will generate 0.034 SLN per week per learner. In addition they will be entitled to 0.056 SLN if they attract a basic bonus and 0.115 SLN for an enhanced bonus. To calculate the amount of SLN to be attributed to E2E the following calculation should be performed:

$$\text{Number of learners} \times \text{Average number of carry over weeks per learner} \times 0.034 + \text{projected bonuses} = \text{SLN E2E carry over}$$

### Example – Determining the carry over SLN for 60 E2E learners

Provider A anticipates that, of the 118 E2E learners currently in learning, 60 learners will carry over in to the new contract year at the beginning of August. Of these it anticipates that 30 learners will achieve a basic bonus and 15 learners will achieve an enhanced bonus.

The provider has reviewed its last year data which showed that, of those learners who were carried over at the start of the new financial year, on average they each stayed 8 weeks.

	<b>A</b>	<b>B</b> Weekly SLN value	<b>C</b> Total SLN value (A multiplied by B)
Average weeks stay each	60 x 8	0.034	16.32
Basic bonuses	30	0.056	1.68
Enhanced bonuses	15	0.115	1.725
<b>TOTAL SLN</b>			<b>19.725</b>

### *In summary – earning SLN*

Sections a–f have sought to provide Foundation Learning curriculum managers with an understanding of the different ways in which SLNs can be generated within Foundation Learning. This information should enable them to respond flexibly to the needs of all learners and plan appropriate personalised learning programmes. It will also help them in Foundation Learning conversations with their finance and MIS colleagues.

Curriculum managers may find it useful to ask their MIS colleagues to produce monthly reports which show the different ways in which SLN is planned and generated. This will alert them to whether there are any changes which require local authority approval.

Shown on the next page is an example of the different ways in which a provider might earn SLN for a group of 15 learners following personalised learning programmes.

### Example – Calculating total SLN earned

A group of 15 learners included:

Learner programme scenarios	Total EZE carry over	Total Foundation Learning Weeks	Total non-externally accredited provision	Total listed qualifications	Total unlisted qualifications	Total Entitlement*	Total SLN	Average SLN per learner
2 learners carried over from EZE who each stayed on average 12 weeks	0.82						0.82	0.41
4 learners who spent 6 weeks on average on Foundation Learning weekly funding before undertaking a mixture of QCF and unlisted qualifications (overall size of planned programme below 0.75)		0.65		0.8	0.8		2.25	0.56
2 learners undertaking a mix of QCF and unlisted qualifications (overall size of planned programme below 0.75)				0.8	0.6		1.4	0.7
2 learners undertaking a mix of QCF and unlisted qualifications (overall size of planned programme above 0.75)				1.4	0.6	0.51	2.51	1.26
5 learners who undertook some non-accredited provision alongside qualifications			1.5	1.0	1.0		3.5	0.7
<b>TOTAL SLN</b>	<b>0.82</b>	<b>0.65</b>	<b>1.5</b>	<b>4.0</b>	<b>3.0</b>	<b>0.51</b>	<b>10.48</b>	<b>0.7</b>

\*Please note that it is the planned learning hours that trigger entitlement funding and therefore if a listed qualification aim or a combination of learning aims has a planned learning value of 336 hours or more this will trigger the entitlement funding.

## B: National Funding Rate per SLN

Foundation Learning curriculum managers should be aware that national funding rates are standard rates set by the YPLA (previously LSC) each year and are non-negotiable. The funding rate per SLN for 16–18 year olds is £2,920 for the 2010/11 financial year. No providers receive less than the national rate and a small number still receive more.

## C: Provider Factor

Each provider is assigned its own unique provider factor by the YPLA. While the SLN value provides a measure of the volume of learning, the provider factor reflects the relative cost of provision. Foundation Learning curriculum managers will need to ascertain what this is from their department head or finance manager, if they are unaware, in order that they can calculate the amount of funding that each learner will attract. It should be noted that the provider factor of your organisation will not reflect the necessary costs of individual departments.

The provider factor includes all of the components below each calculated by the YPLA and based on historical learner data. These are multiplied together to give the provider factor.

**Area Costs Uplift** – This uplift is based on the higher costs of learning in some areas of the country

x

**Disadvantage Uplift** – This is calculated using the Index of Multiple Deprivation

x

**Programme Weighting** – This reflects the different costs of different subjects. It is calculated at learning aim level and then aggregated to provider level.

x

**Success Factor** – This measures the number of learning aims that have been successfully completed and is based on data from the previous year. The success factor is calculated as the mid-point between a provider's actual success rate and 100 divided by 100 e.g. a provider who actually achieved a success rate of 70% would have a success factor of 0.85. In determining the success factor all qualifications are treated equally regardless of their size and level. Further information on qualification success rates can be found in Section 6.

x

**Short Course Modifier** – This is calculated from the learner level annual guided learning hours (glh). It only applies to learners with an annual glh of less than 225.

x

**Care Standards Factor** – This uplift allows for extra costs in relation to residential accommodation for 16 and 17 year olds from complying with the Care Standards Act 2000 and subsequent legislation/regulations

x

**Long Term Residential Factor** – This is an uplift for specialist residential provision in providers designated Long Term Residential Colleges



### Example – Calculating the provider factor

YPLA calculates each element and works out the provider factor for a provider each year.

A. Area Costs Uplift	1.000
B. Disadvantage Uplift	1.110
C. Programme Weighting	1.300
D. Short Course Modifier	1.000
E. Care Standards Factor	1.000
F. Long Term Residential Factor	1.000
G. Success Factor	0.880
<b>Provider Factor (A x B x C x D x E x F x G)</b>	<b>1.270</b>

Some important considerations for Foundation Learning curriculum managers to think about which might impact on the value of the provider factor in future years include the following.

- E2E providers should be aware that the programme weighting for E2E is currently 1.3. Programme weightings are identified on the Learning Aim Database for each qualification. Choosing QCF qualifications which have a lower programme weighting than this will decrease the value of the programme weighting element in future years. Conversely functional skills in mathematics and English are weighted at 1.4 increasing the value of the hours delivered.
- Reductions in current qualification success levels will decrease the value of the success factor element in future years and thereby ultimately reduce funding.
- The Foundation Learning department may have a high number of learners who qualify for disadvantage uplift.
- A provider's assigned provider factor value applies to all its learner-responsive provision. Foundation Learning performance can therefore impact on the whole of the provider's learner-responsive provision and equally changes in performance in non- Foundation Learning programmes impact on the whole of the provider's learner-responsive provision.

### D: Additional Learning Support

Funding for additional learning support (ALS) helps providers ensure that learners can gain access to, progress towards and successfully achieve their learning goals. It will therefore benefit learners with a range of needs including those who are disengaged or lack motivation, those who face barriers to their learning through their personal circumstances such

as homelessness or drug or alcohol addiction, those with learning difficulties and/or disabilities as well as those who require additional support in English and mathematics.

Foundation Learning curriculum managers will want to carefully plan how they will spend the funding that they generate to support learners on Foundation Learning programmes with ALS needs and how they can demonstrate it. A provider is given a financial allocation for ALS within its learner-responsive allocation (see Section 4 for further information) which is based on their historical data. For those providers whose learner-responsive allocation extends beyond provision below Level 2, Foundation Learning curriculum managers will want to ensure that they are allocated the funding that their learners would generate. E2E funding incorporated ALS within the weekly funding amount. Within the demand-led funding methodology ALS is a separate component that has both a low cost and high cost element, which are explained in further detail below.

### Low cost additional learner support

60% of the ALS budget for low cost additional support is based on a formula which uses learners' GCSE points score for English and mathematics when they are recruited. Provider allocations use the GCSE points scores of the provider's previous year's cohort to estimate ALS costs. There is no requirement therefore to enter current learners' GCSE scores on their ILR. The ALS rates shown in the table below are calculated per SLN (Section A above describes the different ways in which SLN can be generated). Should a learner be on an unlisted qualification, the planned glh is converted to SLN for this purpose. The remaining 40% of the ALS budget is allocated on a discretionary basis. Budgets for 2010/11 are already set.

<b>GCSE English and Mathematics</b>				
<b>Points</b>	<b>Typical grades</b>	<b>60% ALS</b>	<b>40% ALS</b>	<b>100% ALS</b>
0–15	No passes	£609	£406	£1,015
16–31	1x G grade	£441	£294	£735
32–43	2x G grades	£301	£200	£501
44–55	2x F grades	£214	£142	£356
56–67	2x E grades	£142	£94	£236
68–79	2x D grades	£87	£58	£145
80–91	2x C grades	£47	£31	£78
92–103	2x B grades	£22	£14	£36
104 or more	2x A grades or better	£14		£23

Example: A learner whose Foundation Learning programme is made up of qualifications totalling 0.8 SLN (360 glh) and has 2 grade E GCSEs in Mathematics and English would have  $0.8 \times \pounds142 = \pounds113.60$  (60% portion) plus  $0.8 \times \pounds94 = \pounds75.20$  (40% portion) =  $\pounds188.80$  added to the income for their programme. Please note that not all providers receive the 40% discretionary element and you will need to check this on your learner-responsive financial allocation (see Section 4 for further information).

### High cost additional learner support

Providers who have a history of delivering learning to learners with ALS costs over  $\pounds5,500$  will have a separate funding allocation for this within their allocation (see Section 4). Providers without an allocation who wish to deliver learning for a learner with ALS needs in excess of  $\pounds5,500$  should contact their local authority.

Full guidance on ALS is set out by YPLA in the publication *Funding Guidance 2010/11: Additional Learning Support*, June 2010.<sup>3</sup> Curriculum managers will find the guidance on recording how ALS support is planned and delivered particularly useful.

3  
*Funding Guidance 2010/11: Additional Learning Support*, YPLA, June 2010  
[http://readingroom.ypla.gov.uk/ypla/ypla-als-fg2010-11--version\\_1.pdf](http://readingroom.ypla.gov.uk/ypla/ypla-als-fg2010-11--version_1.pdf)

## E: Calculating the funding allocation for an individual learner

Having a clear understanding of how each of the variables described in Sections A–D within the demand led funding formula are derived, a curriculum manager will be able to calculate the funding an individual learner would attract. The example below shows how the funding allocation for an individual learner would be calculated using YPLA’s learner-responsive demand-led funding methodology.

### Example – Calculating the funding allocation for an individual learner

Learner’s Foundation Learning programme including entitlement funding		1.123 SLN
National Funding Rate	X	$\pounds2,920$
Provider Factor	X	1.253
100% Additional Learner Support	+	$\pounds236$ (2x E grades) $\times$ 1.123 = $\pounds265.03$
<b>Total funding allocation</b>	<b>=</b>	<b><math>\pounds4,373.82</math></b>

4  
*Funding Foundation Learning Worked Examples*, Version 1, YPLA, June 2010  
[http://readingroom.ypla.gov.uk/ypla/foundation\\_learning\\_funding\\_worked\\_examples\\_june\\_2010.pdf](http://readingroom.ypla.gov.uk/ypla/foundation_learning_funding_worked_examples_june_2010.pdf)

See *Funding Foundation Learning Worked Examples*, Version 1, YPLA, June 2010,<sup>4</sup> for many other examples of funded Foundation Learning programmes for individual learners.

# 4

## Understanding and planning to meet your financial allocation

Foundation Learning is funded through the YPLA's learner-responsive budget. Each financial year, providers of programmes for 16–18 year old learners will receive a new learner-responsive allocation. This contains important information which is divided into five parts:

- 16–18 Provider – provider details
- Learner numbers 2010/11 – Box C indicates the total number of learners that the provider is expected to provide learning for within the year. Any E2E carry over learners are included within this.
- Allocations 2010/11 summary – This states the total funding that the provider can earn, including the amount of funding that can be drawn down for additional learner support.
- Elements of the provider factor – This includes the values that YPLA has calculated for each component within the provider factor. These values are reviewed at the end of each contract year.
- 16–18 Allocation 2010/11 details – This provides the financial details underpinning the Allocations 2010/11 summary. It also includes the provider's allocated number of SLNs in Box U.

For some providers, e.g. FE colleges, it is important to be mindful of the fact that the learner-responsive allocation will not solely relate to Foundation Learning but will include all learner-responsive provision. Following receipt of the learner-responsive allocation a provider is required to complete a planning volumes proforma for YPLA that identifies the planned number of learners who will undertake learning at Level 3, Level 2 and below Level 2.

An example of a learner-responsive allocation for a provider that previously offered E2E is shown on the next page. The provider is expected to deliver to 142 learners and has been allocated a total of 106 SLNs which gives an average of 0.746 SLN per learner. The provider can choose how it will draw down the SLN from one of the six ways described in Section A, a–f.

## Example of a learner-responsive allocation for 2010/11

### 16–18 Providers

Name	Anytown Provider
UPIN number	XXXXXX
Local Authority	Any Authority
Region Code	XXXXXX

### Learner numbers 2010/11

16–18 Sustainable baseline numbers	A	16–18 Growth learner numbers	B	16–18 Total learner numbers	C	19–24 LLDD learner numbers	D
142		0		142		0	

### Allocations 2010/11 summary

16–18 Learner Funding including professional transitional protection	E	16–18 Total Additional Learner Support	F	19–24 LLDD Programme Funding	G	19–24 LLDD Additional Learning Support Funding	H	Total Allocation	I
£391,600		£37,623		£0		£0		£429,223	

### Elements of the Provider Factor

Area cost	J	Disadvantage uplift	K	Programme weighting	L	Success factor	M
1,000		1.110		1.3		0.880	
Short course modifier	N	Care standards	O	Long term residential	P	Provider factor	Q
1.000		1.000		1.000		1.270	

### 16–18 Allocation 2010/11 details

Standard Learner Numbers (SLN) as per Sustainable Baseline	106	R
SLN for Growth	0	S
SLN for Diploma Delivery	0	T
Total SLNs	106	U
National Rate per SLN	£2,920	V
Rate per SLN for individual provider	£2,920	W
Learner Funding including Transitional Protection	£391,600	E
Additional Learning Support (Formula)*	£37,623	X
Additional Learning Support (Negotiated)**	£0	Y
16–18 Additional Learning Support	£37,623	F

\*Additional Learning Support (Formula) – this is the ALS funding allocated by formula. It is calculated based on GCSE points scores in English and Mathematics. 60% of the national budget for ALS below £5,500 has been allocated based on the national formula.

\*\*Additional Learning Support (Negotiated) – this represents 40% of the national budget and is discretionary and allocated locally based on learner needs. This box also includes discretionary ALS for individual learners with more than £5,500 ALS.

Foundation Learning curriculum managers may not necessarily see the Financial Allocation document or the planning volumes proforma but they will need to identify the following three key pieces of information to support their Foundation Learning planning and delivery.

- The planned number of 16–18 learners who will undertake a Foundation Learning programme.
- The number of SLNs that can be used to deliver Foundation Learning.
- The budget the provider has allocated for Foundation Learning.

Below is a process showing how an E2E provider might plan to draw down its SLNs based on the information provided in the allocation above.

**Number of learners to receive learning in year = 142**

**Total SLNs = 106**

**Average SLN per learner =  $106/142 = 0.746$**

**Provider Factor = 1.26**

**16–18 Learner Funding including Transitional Protection = £389,995  
(106 SLN x £2920 x 1.26)**

<b>Step 1 – Calculate E2E carry over weeks and convert to SLN</b>	<b>Number of learners</b>	<b>SLN</b>
40 learners x 12 weeks average stay x 0.034 weekly SLN value	40	16.32
21 learners claim a basic bonus = 21 x 0.056 SLN		1.18
10 learners claim an enhanced bonus = 10 x 0.115		1.15
<b>TOTAL SLN FOR E2E CARRY OVER</b>		<b>18.65</b>

<b>Step 2 – Calculate required number of Foundation Learning weeks and convert to SLN</b>		
250 Foundation Learning weeks are estimated to be required to support learners who will not be ready to begin qualifications on day 1 of their programme = 250 x 0.027 SLN		6.75
<b>TOTAL SLN FOR FOUNDATION LEARNING WEEKS*</b>		<b>6.75</b>

<b>Step 3 – Calculate the SLN for Foundation Learning learners' programmes using listed and unlisted qualifications</b>		
32 learners follow FL programmes with an average size of 1.1 (including the entitlement factor) = 32 x 1.1	32	35.2
40 learners follow FL programmes with an average size of 0.72 = 0.72 x 40	40	28.8
20 learners follow FL programmes with an average size of 0.62 = 20 x 0.62	20	12.4
10 learners follow FL programmes with an average size of 0.42 = 10 x 0.4	10	4.2
<b>TOTAL SLN FOR FOUNDATION LEARNING PROGRAMMES</b>		<b>80.6</b>

<b>Total from Steps 1–3</b>	<b>142 learners</b>	<b>106 SLN</b>
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\* This needs to be less than 10% of the SLN allocation once the E2E carryover is subtracted unless prior agreement has been reached with the Local Authority to increase this. In this instance the amount of SLN remaining after E2E carryover has been deducted is 87.35 (106 – 18.65) and 10% therefore would be 8.735 SLN. The figure of 6.75 SLN as shown above is therefore within the 10% range.

## Budgeting in 2010/11

2010/11 is the first year of Foundation Learning allocations and your allocation will reflect historical delivery rather than the full Foundation Learning specification. This represents a challenge for you and you will have some choices to make.

If you were an E2E provider with a shorter length of stay than average (e.g. you used less than 0.67 SLN per learner) the YPLA will have increased your SLNs up to this level, so you will have more resources to put into the programme than you had for E2E.

To preserve your allocations and negotiating position for 2011/12 onwards it is vital that you deliver the number of learners you have been allocated. This will probably mean delivering more SLNs than your allocation. This will not generate any more funds but it will improve your negotiating position for the future.

For 2010/11 the key equation for you to manage is to deliver the number of learners you have been allocated from within your current allocation. You will need to plan your programme and organise your resources accordingly. For example, using the earlier example, your total financial allocation (excluding ALS) is £389,995 which you must use to deliver to 142 learners. Dividing one into the other gives the budget the YPLA is making available per learner. As stated above, you should also aim to deliver as many SLNs as possible with this budget.

The YPLA announced an intention to do adjustments in year for private providers in 2010/11. This will be based on learner numbers so again reinforces the need to deliver your allocated learner number target.



# 5

## Recording information on the Individual Learner Record

The individual learner record (ILR) collects data about each learner and their learning. Records are completed and maintained by providers and the data is returned to the Information Authority five times a year using the learner-responsive ILR return (for further information, go to [www.theia.org.uk/ilr](http://www.theia.org.uk/ilr)). An ILR will normally be completed at the start, during and end of each learner's personalised learning programme. Staff responsible for completing ILRs for learners on Foundation Learning programmes will want to ensure that information is accurately recorded so that all available funding is drawn down and performance is accurately recorded. The ILR is divided into the following 3 parts:

- **Part 1 – Learner Information**
- **Part 2 – Programme Aim Information**
- **Part 3 – Learning Aim Information** – a separate Part 3 will need to be completed for each separate learning aim that a learner on a Foundation Learning programme undertakes.

Shown in the following tables are key fields and associated codes which need to be completed for each learner on a Foundation Learning programme during 2010/11. Providers should note that some of these are new requirements.

For further information please see *Recording Foundation Learning on the ILR in 2010/11*, Information Authority, May 2010.

### Part 1 – Learner Information

ILR Field and Code	What this field is for
L28 – Eligibility for enhanced funding	Learners on Foundation Learning programmes who are full time 16–18 learners, i.e. their planned learning programme is 336 hours or more, also qualify for entitlement curriculum funding. Recording code 12 in field L28 will trigger the entitlement funding. The planned learning hours for each individual learning aim will be recorded in field A32 in Part 3 of the ILR. Providers should note that the cumulative planned learning hours for individual learning aims should be 336 hours or more where entitlement funding is being claimed. A provider therefore may initially record code 99 in field 28 (not eligible for 16–18 funding entitlement) and change this once the learner's planned programme is 336 hours or more.

## Part 2 – Programme Aim Information

ILR Field and Code	What this field is for
A09 – Learning Aim Reference Number	Programme Aim – Code ZPROG001 is used for learners on Foundation Learning programmes and carry over E2E learners.
A10 – Funding field	Code 21 (16–18 Learner responsive) is used for learners on Foundation Learning programmes.
A11 – Source of Funding	Code 106 is used where the provider has a direct allocation from the YPLA or more likely Code 107 where the provider is funded directly by the local authority.
A15 – Programme type	Code 19 is used to indicate Foundation Learning programme.
A26 – Framework Code	Code 055 for learners on Foundation Learning programmes.
A46 – National Learning Aim Monitoring Field	<p>This field is used to indicate the learner’s initial intention for progression. It does not need to be updated if the learner’s intentions change during the programme:</p> <p>Code 113: Learner’s initial intention is to progress to Independent Living or Supported Employment</p> <p>Code 114: Learner’s initial intention is to progress to further learning at Level 2 or above</p> <p>Code 115: Learner’s initial intention is to progress to further learning at Entry or Level 1.</p>
A50 – Reason Learning Ended	<p>This field is used to record the learner’s actual progression outcome. Key codes include:</p> <p>20 – Learner progressing to an Apprenticeship, Advanced Apprenticeship or programme led Apprenticeship</p> <p>23 – Learner progressing to employment with training at Level 2 or above</p> <p>24 – Learner progressing to employment without training at Level 2 or above</p> <p>25 – Learner progressing to FE, New Deal or other structured learning below Level 2</p> <p>26 – Learner progressing to FE, New Deal or other structured learning at Level 2 or above.</p>

### Part 3 – Learning Aim Information

Component learning aims should be recorded as and when they are started by the learner. Unless the learner is commencing all the aims at the start of the programme they should not all be entered when the programme aim is recorded.

ILR Field and Code	What this field is for
A09 – Learning Aim Reference Number	The learning aim reference for the qualification must be valid – these can be found on the Learning Aim Database (LAD). The learning aim reference for Foundation Learning weekly funded learners is ZFLW0001. If a learner is undertaking a non-externally certified aim then a Z90P class code should be recorded.
A10 – Funding Stream	Code 21 for 16–18 learner-responsive.
A11 – Source of Funding	Code 106 is used where the provider has a direct allocation from the YPLA or 107 where the provider is funded directly by the local authority. Code 107 is the most likely to apply.
A15 – Programme type	Code 19 is used to indicate Foundation Learning programme.
A26 – Framework Code	Code 055 for learners on Foundation Learning programmes.
A27 – Learning Start Date	Enter the date the learner starts the qualification.
A28 – Planned End Date	Enter the date when it is planned that the learner will complete the qualification.
A32 – Guided Learning hours	Enter the number of learning hours in which you plan to deliver the qualification to the learner. It may differ from the listed guided learning hours on the LAD which is used to determine the funding. This field is used for three important purposes. <ul style="list-style-type: none"> <li>• Where qualifications are unlisted eg functional skills, the planned glh will determine the SLN value.</li> <li>• Where the qualification is listed it is used to review and if necessary update the listed glh for funding purposes.</li> <li>• In all cases it is the glh entered here that is taken into account in the calculation for entitlement funding eligibility.</li> </ul>
A46 – National Learning Aim Monitoring	This field is NOT completed for individual learning aims only the programme aim.

ILR Field and Code	What this field is for
A51a – Proportion of Funding	<p>This is completed when a learner has already achieved some credits towards a qualification when they begin the learning aim. This is likely to be particularly common where learners have undertaken Award-sized qualifications prior to Certificates or Certificate-sized qualifications prior to Diplomas. In such instances, the proportion of funding previously claimed will need to be deducted from the total funding for the new learning aim.</p> <p>For example the learner will undertake a Certificate-sized qualification of 13 credits. The learner has already achieved 6 credits which can be transferred and used towards this learning aim. This means the proportion of funding remaining is 7/13 or 54%. 54 should therefore be recorded in field A51a.</p>
A59 Planned Credit Value	This is the credit value that the learner will achieve through completing the qualification.
A60 Credits Achieved	This is the amount of credits that the learner has actually achieved when they leave.

## Validation Rules

The following validation rules will apply in 2010/11 to Foundation Learning programmes:

- Rule R41 – A learner cannot have an open E2E programme and an open Foundation Learning programme recorded in the ILR at the same time.
- Rule R42 – A learner cannot have an open Foundation Learning weekly aim and another Foundation Learning component learning aim recorded in the ILR at the same time.

The requirement to complete a new Part 3 for all component learning aims may result in changes to practice for many Foundation Learning providers in completing ILRs. The following factors might need to be considered:

- Learners might undertake several different learning aims within their Foundation Learning programme and therefore additional staff resource might need to be required to complete Part 3s for each of these and input information onto the database. The increase in workload will be dependent on the number of Part 3s previously completed on average for each learner.
- Where ILRs are completed centrally by administrative staff, close liaison will be needed with Foundation Learning tutors when learners start and complete learning aims at different times resulting in updates to Part 3s.
- Increased internal auditing may be required of ILR documentation to ensure that all funding is being accurately claimed and performance is recorded.

# 6

## Using the QCF to support learner achievement

The Qualifications and Credit Framework (QCF) offers three sizes of qualification at each level from Entry level to Level 8. An Award represents the smallest size, followed by a Certificate, with a Diploma as the largest size. Offering qualifications in a range of different sizes at each level allows learners to grow their achievements and have their learning accredited in small steps. Using this structure to ensure learners are attempting individually planned and delivered personalised learning programmes using qualifications of the correct level **and size** for their individual needs and abilities will improve every learner's chances of success. The QCF therefore should have a positive impact on a provider's qualification success rates.

Example A below shows the benefits of making full use of the QCF and where appropriate accrediting learners' achievements in stages. Approach 2 recognises that some learners may leave having achieved Awards or Certificates but not the full Diploma and ensures a much higher success rate. Although not all learners will qualify for entitlement funding this is more than offset by how this model uses a smaller amount of SLN overall and ensures that funding is not lost on learners who drop out early and can be used to support other learners. Providers will want, however, to weigh up the relative risks and benefits associated with the later draw down of entitlement funding and the potential impact on the provider's success factor and future funding.

### Maximising qualification success rates – Example A

Approach 1	Approach 2
20 learners undertake the Diploma in WorkSkills 10 learners drop out before achieving this and 10 learners complete it	20 learners undertake the Award in WorkSkills 18 complete it and 2 drop out 18 learners go on to do the Certificate – 13 complete it and 5 drop out. 13 learners go on to do the Diploma – 10 complete it and 3 drop out
Success rate = $10/20 = 50\%$	Success rate = $41/51 = 80\%$

Where a provider records learners' qualifications on their ILR as they start, this not only allows qualification success rates to be maximised but also allows providers to make best use of their funding as can be seen in Example B on the next page. Approach 2 uses a smaller amount of SLN and ensures that funding is not lost on learners who drop out early and can be used to support other learners.

## Maximising qualification success rates – Example B

Approach 1			Approach 2		
Week	Qualifications recorded on ILR	SLN	Week	Qualifications recorded on ILR	SLN
1	Diploma in WorkSkills	20 learners x 0.8 = 16 + 20 x 0.253 (entitlement) = 5.06	1	Award in WorkSkills	20 learners x 0.056 = 1.12
–	–	–	3	Certificate in WorkSkills	18 learners x 0.211 = 3.80
–	–	–	8	Diploma in WorkSkills	13 learners x 0.533 = 6.93 + 13 x 0.253 (entitlement) = 3.29
		<b>Total SLN utilised = 21.06</b>			<b>Total SLN utilised = 15.14</b>

# 7

## Further Information

*A Guide to Funding Foundation Learning,*  
YPLA, June 2010

[http://readingroom.ypla.gov.uk/ypla/a\\_guide\\_to\\_funding\\_foundation\\_learning\\_issue\\_1\\_0\\_f.pdf](http://readingroom.ypla.gov.uk/ypla/a_guide_to_funding_foundation_learning_issue_1_0_f.pdf)

*Funding Foundation Learning Frequently Asked Questions,*  
YPLA, June 2010

[http://readingroom.ypla.gov.uk/ypla/foundation\\_learning\\_funding\\_frequently\\_asked\\_questions\\_june\\_2010.pdf](http://readingroom.ypla.gov.uk/ypla/foundation_learning_funding_frequently_asked_questions_june_2010.pdf)

*Funding Foundation Learning Worked Examples,*  
Version 1, YPLA, June 2010

[http://readingroom.ypla.gov.uk/ypla/foundation\\_learning\\_funding\\_worked\\_examples\\_june\\_2010.pdf](http://readingroom.ypla.gov.uk/ypla/foundation_learning_funding_worked_examples_june_2010.pdf)

*16 to 18 Funding Guidance 2010/11: Funding Rates,*  
Version 1, YPLA, March 2010

<http://readingroom.ypla.gov.uk/lsc/National/nat-fundingrates201011v1-mar10.pdf>

*Funding Guidance 2010/11: Additional Learning Support,*  
YPLA, June 2010

[http://readingroom.ypla.gov.uk/ypla/ypla-als-fg2010-11--version\\_1.pdf](http://readingroom.ypla.gov.uk/ypla/ypla-als-fg2010-11--version_1.pdf)

The Information Authority provides further information on the Individual Learner Record, go to:

[www.theia.org.uk/downloads/ilrdocuments/201011\\_guidance.htm](http://www.theia.org.uk/downloads/ilrdocuments/201011_guidance.htm)

# 8

## Glossary

ALS	Additional Learner Support
E2E	Entry to Employment
EMA	Education Maintenance Allowance
Entitlement Funding	Funding to support providers in delivering the activities that support the delivery of qualifications such as initial assessment, induction and progress reviews, plus enrichment and tutorials
FE	Further Education
FL	Foundation Learning
Foundation Learning Weekly Funding	Up to 10% of a provider's SLN for new starts can be converted into weekly funding to support learners who are not ready to start qualifications from day one of their programme
glh	Guided learning hours
IA	Information Authority
ILR	Individual Learner Record
LAD	Learning Aim Database
LLDD	Learner with learning difficulties and/or disabilities
Listed Qualification Aims	Qualification aims which have a specified number of SLN guided learning hours
LR	Learner-responsive
National Funding Rate	The amount of funding per SLN
Non-externally certified learner-responsive provision	Existing non-accredited provision which providers cannot currently convert to functional skills or suitable QCF provision
Provider Factor	Each provider is assigned its own unique provider factor which reflects the relative cost of provision
QCF	Qualifications and Credit Framework
SLN	Standard Learner Number value – provides a measure of the volume of learning
Unlisted Qualification Aims	Qualification Aims which do not have a specified number of SLN guided learning hours
WBL	Work Based Learning
YPLA	Young People's Learning Agency



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