



Funding: CYQ talks to the LSC

On 15th June 2009, Nick Cutland and Lori Cutland from CYQ met with Alex Cook, Funding Policy Implementation Manager and Clare Boden, Consultant, from the LSC. CYQ tabled a variety of questions, some which were raised by CYQ centres.

Here are the answers...

CYQ:

We asked for clarification on the role of the new funding agencies and what their impact was likely to be at regional and national level.

LSC:

- This is a bit bigger than funding or the new funding organisations (Young Peoples' Learning Agency [YLPLA]/Skills Funding Agency [SFA]). There has been recognition of the differing needs of young people and adults across government over the past few years. These differing needs have led to separate policies (14 -19 agenda and Leitch), separate Departments (DfES into DIUS/DCSF and now BIS) and imminently new organisations pre and post 19. The SFA which will essentially be a next step agency linked to BIS, and Young People's Learning Agency, a NDGB which, with Local Authorities, will be responsible for pre 19.
- Think of them as different markets, governed by different organisations.
- A qualification may be appropriate for both markets, and maybe only one.
- For 16-19 think JACQA (Joint Advisory Committee for Qualifications Approval) – and the DCSF 14 to 19 qualifications strategy which identifies a focus on 4 national suites or frameworks: GCSE/A Levels, Diplomas, Apprenticeships and Foundation Learning Tier.
- For adults there are a number of places to engage – in the context of a new nationally regulated qualifications and credit framework - QCF for design, employers, through Sector Skills Councils (SSCs), in the driving seat, advising SFA on the qualifications, arising out of Sector Qualifications Strategy (SQS) and action plans, which are to be funded. By December 2010 all vocational qualifications will be in the QCF.



CYQ:

We asked whether a clear funding process will be ready to coincide with the full implementation of the QCF in August 2010 and when will this be made available to key stakeholders?

LSC:

- Funding formula/rates could be seen as the 'easy' bit.
- It's not as big a change in funding as you might think – we're still looking to fund learning aims using largely listed funding rates.
- The difficulties are around how we ensure funding is flexible enough to accommodate the structural flexibilities that the QCF brings – and that is as much a political decision about what the public purse will support as it is about the funding methodology.
- We will continue to purchase both units and qualifications – the balance of volumes of each is what is still up for grabs. The balance is likely to differ by programme – Train to Gain may have a different balance to Adult Learner Responsive for example and Apprenticeships will remain focussed on full frameworks. The current balance is heavily weighted towards full qualifications, but through the two unit funding trials we are looking into what the future balance may be.
- Importance of SSCs in adult vocational provision – they are the voice of employers and advise the SFA what is economically valuable learning via SQSs, etc.
- We will continue to operate entitlements for learners and will continue to have a duty to secure provision for a range of groups of learners e.g. LLDD – our funding approach will be reflective of these priorities.
- We disseminate work on QCF implementation through our regular QCF Policy Updates.

CYQ:

We asked for clarification on funding of different status units – will funding differ between restricted/shared units? Will the LSC be funding units or qualifications?

LSC:

- This is not (currently) taken into account in rates setting or funding formula.
- The QCF is currently a mixed economy of restricted and shared units. Currently we will fund both, through our wish is to focus funding on shared units as this maximises credit accumulation and transfer. The recent Ofqual guidance on shared and restricted units is critical here and we will review the position on funding restricted units during the 2009/10 business cycle.
- QCF relies on a critical mass of shared units to operate effectively.



CYQ:

Will funding be based on credit or Guided Learning Hours (GLH)? Are the two linked? Will one be funded and not the other? Currently the SLN relates to GLH. Have unit funding trials take place?

LSC:

- Funding principle – on the basis of cost. We use GLH as a proxy for cost where qualifications are expected to be delivered in groups in a classroom-type setting. For qualifications expected to be delivered in a work-place (i.e. competence-based qualifications) GLH is not a sufficiently robust proxy for cost so we use activity – although we have less information on this when a qualification is initially accredited.
- GLH and credit have different objectives and purposes – credit is an outcome measure, a currency of achievement, GLH is input. 1 credit is based on 10 hours of learning time, and learning time is more encompassing than GLH. However, understanding delivery is a necessary part of determining credit, and thus in thinking about credit input is inherently thought about as well. The ratio of learning time to GLH may vary by level, delivery method, etc which is something we're investigating as part of the development of the QCF.
- Thinking about funding related to cost, any learning time that does not incur a cost to the provider should not be funded under this principle. The key thing about GLH (or activity) is that it is precisely what does incur a cost to the provider.
- If credit can be shown to be a satisfactorily robust proxy for cost then there is no reason why we would not use it in setting funding rates.
- Unit funding trials are currently taking place in ALR and Train to Gain (SME Flexibilities) so we can find out more about how it works.

CYQ:

If there is a mixed economy of certificates on offer over the coming months between NQF and QCF for the same qualifications – which will be funded?

LSC:

- LSC has made it clear that funding will be prioritised on QCF qualifications.
- Funding priorities will be further informed (NB informed NOT determined!) by SSC advice.
- Where a QCF qualification is available and appropriate we will seek to focus funding on that.
- From August 2009 we will seek to prioritise funding in Train to Gain, OLASS, IES and Adult Learner.



CYQ:

With the closure of new apprenticeships starts announced in Mid-April – many of our providers had completed sign-ups from mid-March. Will these be funded? Is there likely to be the same problems in the next academic year – this may lead to staff redundancies for some of our providers?

LSC:

- See letter from Geoff Russell to providers dated 11th June 2009.
- Basically we have guaranteed 'legitimate starts' before April. However there are some fairly high impact changes being made to manage the demand.

CYQ:

In our specific sector progression to Level 3 is vital but if funding is targeted around 16-18 years this will cause problems. How do we make the case for 19 plus funding?

LSC:

- There is a large amount of 19 plus funding available – and in future it will be managed by the SFA specifically for adults.
- Train to Gain is adults-only.
- Bear in mind the points above about separate markets.

CYQ:

Can you explain the relationship between the LSC and National Skills Academies (NSAs) and the impact this has on funding for individual providers?

LSC:

- Mainly reporting – NSA provision does not get funded any differently from non-NSA provision.
- NSAs do have some capacity-building money up front (for the first 3 years) to support their business plans and set up costs.



CYQ:

Can you explain how schools are funded for delivering vocational qualifications at Level 1 and Level 2? We have many schools wishing to deliver our qualifications, however we are not sure how to advise them in this area? Furthermore can you explain how the funding will work for those consortia delivering 'Additional and Specialist Learning' as part of the new Diplomas (14-19)?

LSC:

- Largely consistent with 16 -19s in colleges and other providers, although the data we get from schools is different which leads us to make some assumptions (for example, success rates are not done in a consistent way yet as we do not get the same level of data from schools as for colleges).

CYQ:

Many of our providers ask for 'friendly guidelines' on latest LSC policy and implementation – can you advise them where to look?

LSC:

- The LSC website has our funding guidance booklets, although these are not always that 'friendly' as they are referred to in contracts and as thus need to be legally watertight.
- QCF support available from LSIS, AoC, ALP, etc. QCF policy update is also published by LSC every 3 months (one out at the start of July).
<http://qfr.lsc.gov.uk/ukvgrp/support>
- The QCA web site has all the technical detail on the QCF.