

FUNDING WATCH

2008/8

30 July 2008

Additional Flexibilities for Train to Gain

Today the LSC released a [guidance document](#) for colleges and training providers detailing important additional flexibilities to be added to the Train to Gain service. The guidance follows on from the LSC's [letter](#) of 19th June to all colleges and training providers who hold a contract to deliver Train to Gain. This Funding Watch summarises the new guidance. For a summary of the June letter see the [2008/6 Funding Watch](#).

The LSC document includes a useful table which outlines the detail associated with eligibility. This is reproduced at the end of this Funding Watch.

These new changes represent an enhancement to Train to Gain and are aimed to support the expansion of the service, so that it delivers the Government's commitment to route more than £1bn of public funding through Train to Gain by 2010/11. It is expected to play a major role in delivering the Government's skills strategy and ambitions and will support more than 950,000 employees each year. In 08/09 the plan is to increase the number of learner starts to 750,000. The key changes are:

Summary of enhancements

- **Allow a proportion of 'additional' Level 2 qualifications:** LSC and DIUS will negotiate sector-by-sector flexibilities, to enable employees to access fully funded training for some 'additional' level 2 qualifications where they already have a level 2 qualification or higher. A maximum of 30% 'additional' Level 2 qualifications will be allowed for at a regional level. The flexibility will only apply to qualifications that are identified by SSCs through their SQSs and the emerging sector compacts. The SSC priority qualification lists should be available by 1st September 2008.

In 08\09 only, FE colleges as part of the *transitional arrangements* will be able to deliver a range of eligible repeat qualifications at Level 2 based upon historic patterns of delivery.

- **Increase Train to Gain funding rates by 9% over 3 years:** funding rates will be increased by 3% in each of the next 3 years (instead of the previously planned 1.5% rates increase in each of these years). The 2008/09 rates will be 3% above the rates published in April 2008 in the draft document Funding Rates 2008/09.
- **Agree and implement six sector compacts by September 2008:** the first four sector compacts have now been agreed with: SEMTA, ConstructionSkills, People1st, ProSkills. LSC and DIUS are working with other SSCs to develop further compacts proposals with the aim of agreeing these by September 2008.
- **Improve take-up of Level 3:** regions have been allocated budgets and targets for provision at Level 3, Level 4 and above. As with Level 2, through sector compacts, LSC and DIUS will negotiate sector-by-sector flexibilities which may include enabling employers to access co-funded training for some 'additional' or 'non-first' Level 3 qualifications where the employee already has a Level 3 qualification or higher.

At a regional level, a maximum of 20% 'additional' Level 3 qualifications have been allowed for. The flexibilities will only apply to qualifications that are identified by SSCs through the emerging sector compacts.

In 08\09 only, FE colleges as part of the *transitional arrangements* will be able to deliver a range of eligible repeat qualifications at levels 3 and 4 based upon their historic patterns of delivery.

- **Clarify public sector eligibility for Train to Gain and drive take up through 'public service skills compacts'**: Government Departments and agencies are currently not eligible to access public funding through Train to Gain. Other public sector organisations such as schools and NHS trusts are eligible. Public Service Skills compacts will seek to increase the public sector services take up of Train to Gain.
- **Improve performance of Basic Skills in Train to Gain**: Adult Basic Skills qualifications will now be available through Train to Gain on the same basis as Adult Basic Skills delivered through mainstream FE.
 - All 3 subjects at all 5 levels - literacy, numeracy and ESOL at all levels (Entry Level 1, Entry Level 2, Entry Level 3, Level 1 and Level 2).
 - Both a literacy and numeracy need can be funded.
 - Those with prior qualifications at NVQ Level 2 (or equivalent) or above will be eligible for funding through Train to Gain where they have an identified Basic Skills need.
 - Where a learner is identified as having a Basic Skills need that requires a non-target bearing qualification to enable progression then this will be funded. More than one non-target bearing qualification per individual can be funded based on individual need.
 - Literacy and numeracy are fully funded - entry level will be funded at the same rate as levels 1 and 2.
 - ESOL Skills for Life are partially subsidised with the expectation that the employer will make a contribution.
 - ESOL for Work qualifications will be available across all regions and partially subsidised with the expectation that the employer makes a contribution.
- **Streamline procurement and contracting**: A number of changes are to be made to streamline and simplify the procurement and contracting process for Train to Gain.

Payment for Train to Gain learners continuing from 2007/08 into 2008/09

The majority of Train to Gain learners carrying over into 2008/09 from 2007/08 will be from the Train to Gain provision budget. The LSC want to align the funding to the new funding methodology and that funding will be paid in monthly instalments up to 75% of the funds and 25% paid on achievement. This will also apply to learners within the existing Level 3 Trial.

Payment for FE college NVOs in the workplace transfer learners

Learners transferring from 'FE college NVOs in the workplace' provision will be treated similarly. Learners transferring from FE college provision will be funded at the new 08/09 rates but will continue on a co-funded basis. Learners who were enrolled on an assessment only basis will be funded at the lower rate in 08/09, with learners enrolled on the basis of assessment and underpinning knowledge funded at the higher rate in 08/09.

FE college transfer learners funded at the higher rate will not be required to demonstrate adherence to the Train to Gain funding regulations regarding 15 hours of underpinning knowledge and understanding for audit purposes.

Funding Rates

Two rates of funding at qualification level will be determined by the amount of underpinning knowledge and understanding delivered within the qualification. The higher rate will apply when 15 hours or more of underpinning knowledge and understanding is delivered, the lower rate when less than 15 hours are delivered. High and low rates of funding will apply at all qualification levels funded through Train to Gain except for Basic Skills.

Qualifications and Eligibility

The LSC document usefully outlines the detail associated with eligibility. This is repeated here. Any qualifications classed as co-funded will be funded on the assumption of employer contribution in line with the LSC's expectation of increased fee income from employers. For 2008/09 the assumed level of employer contribution will be 42.5%.

Basic Skills Qualifications	Notes
Full literacy qualification(s) at Entry Level 1, 2 or 3 and numeracy qualifications at Entry Level 1 and 2 for learners irrespective of prior qualification.	Fully funded subject to meeting the general Train to Gain eligibility. The actual level to be determined by assessment of learner need.
ESOL Skills for Work qualifications.	Co-funded with an expected contribution of 42.5% subject to meeting general Train to Gain eligibility rules.
The LSC expects that the majority of the Train to Gain budget for Basic Skills will contribute to the PSA target. Where a learner is identified as having a Basic Skills need that requires a non-target bearing qualification to enable progression then this will be funded. More than one non-target bearing qualification per individual can be funded based on individual need. Volumes of Basic Skill progression qualifications will be monitored by the Regional LSC.	
NVQ Level 1 Qualifications	Notes
Full Level 1 for learners irrespective of prior qualifications where it supports progression onto a higher level qualification.	Fully funded at the Level 2 rate subject to meeting general Train to Gain eligibility rules. Only fundable through FE colleges with provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC. Actual levels of activity will be agreed with each college.
High and low rates will apply to all Level 1 qualifications based on a 15 hour threshold of underpinning knowledge and understanding.	
Level 2 Qualifications	Notes

First full level 2 for learners NOT possessing a first Level 2 qualification or above.	Fully funded subject to meeting general Train to Gain eligibility rules.
First full level 2 for learners who enter Train to Gain via the Local Employment Partnership (LEP) route who already possess a Level 2 qualification or above.	<p>Fully funded subject to meeting Train to Gain eligibility rules associated with LEPs.</p> <p>Any full NVQ Level 2 qualification identified by the employer can be funded. Over time, it is expected that 'additional' Level 2s will be identified by the SSCs in a sector compact and/or the SQS.</p> <p>This provision will count as part of 30% of allowable additional level 2 qualifications in each region.</p> <p>This LEP flexibility aims to support individuals who have been out of work and are engaging via an employer in an attempt to gain employment.</p>
<p>'Additional' full level 2 for those learners who already possess a Level 2 qualification or above.</p> <p>An 'additional' level 2 may be a second, third or subsequent qualification.</p>	<p>Fully funded subject to meeting general Train to Gain eligibility rules and is a qualification as identified by the SSC in a sector compact and/or the SQS (approved list available from 1st September).</p> <p>Or for provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC.</p> <p>The balance of first and 'additional' Level 2s will be agreed with each college and training provider.</p> <p>The balance between first and additional qualifications will be closely monitored. Excessive levels of additional qualifications may result in the application of sanctions in future contracting years.</p> <p>Up to 30% of Level 2 qualifications delivered through Train to Gain in each LSC Region can be additional Level 2 qualifications.</p>
<p>High and low rates will apply to all Level 2 qualifications based on a 15 hour threshold of underpinning knowledge and understanding.</p> <p>There are no co-funded Level 2 qualifications within Train to Gain/Employer Responsive Funding in for learners starting in 2008/09.</p> <p>FE college learners carrying over from 07/08 will continue to be funded on a co-funded basis.</p>	
Level 3 Qualifications	Notes
First Full Level 3 for learners NOT possessing a first Level 2 qualification or above. (Level 3 Jumpers).	Fully funded at the Level 3 rate subject to meeting general Train to Gain eligibility rules.
First Full Level 3 for learners aged 19-25 to commence from Autumn 2008.	<p>Extension of 19-25 Entitlement.</p> <p>Fully funded subject to meeting general Train to Gain eligibility rules.</p>
First Full Level 3 for learners possessing a first Level 2 qualification.	Co-funded at an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules.

<p>'Additional' full level 3 for those learners who already possess a Level 3 qualification or above.</p> <p>An additional level 3 may be a second, third or subsequent qualification.</p>	<p>Co-funded at an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules and is a qualification identified by the SSCs in a sector compact and/or the SQS (approved list available from 1st September).</p> <p>Or for provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC. The balance of first and 'additional' Level 3s will be agreed with each college and training provider. As further sector compacts are agreed a wider range of Level 3 qualifications will be available for funding.</p> <p>Up to 20% of Level 3 qualifications delivered through Train to Gain in each LSC Region can be additional Level 3 qualifications.</p>
<p>High and low rates will apply to all Level 3 qualifications based on a 15 hour threshold of underpinning knowledge and understanding.</p>	
<p>Level 4/5 Qualifications</p>	<p>Notes</p>
<p>First Full Level 4 for learners NOT possessing a first Level 3 qualification or above. (Level 4 Jumpers).</p>	<p>Level 4 Jumpers aged 19-25 will be fully funded as part of the extension of 19-25 Entitlement subject to meeting general Train to Gain eligibility rules.</p> <p>Where learner is aged 25+ they will be co-funded at the Level 3 rate with an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules.</p> <p>Actual levels of activity will be agreed with each college and training provider and must be identified by the SSC in a sector compact and/or the SQS (approved list available from 1st September).</p>
<p>Level 4/5 Qualifications for any other type of learner.</p>	<p>Co-funded at the Level 3 rate with an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules.</p> <p>Only fundable through FE colleges with provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC.</p>
<p>High and low rates will apply to all Level 4/5 qualifications based on a 15 hour threshold of underpinning knowledge and understanding.</p>	

Edexcel Funding Policy Watches are intended to help colleagues keep up to date with national developments. Information is correct at the time of writing and is offered in good faith. No liability is accepted for decisions made on the basis of information given.

Centres can access the LSC's Learning Aims Database which allows them to search for aims and view aim details at: <http://providers.lsc.gov.uk/LAD/>. The last word on funding lies with the LSC. Centres should be in contact with their LSC in relation to the planning and funding of their provision.