



Education  
Funding  
Agency

# Funding guidance for young people 2012/13

## Funding regulations

This document updates and replaces for 2012/13 the  
YPLA Funding Guidance 2011/12: Funding regulations

Of interest to local authorities, providers and other  
stakeholders involved in managing and delivering EFA  
funded provision

Published June 2012 - version 1

# Contents

	paragraph number
<b>Executive summary</b>	
<b>1</b>	<b>Introduction and background</b>
	Introduction <span style="float: right;">1</span>
	Background <span style="float: right;">3</span>
	Scope of this document <span style="float: right;">9</span>
<b>2</b>	<b>Principles and conditions of funding</b>
	Principles of funding learning <span style="float: right;">12</span>
	Strategies for increasing participation, reducing NEET, supporting learners with learning difficulties and disabilities and closing the attainment gap <span style="float: right;">15</span>
	Funding agreements and conditions
	Funding agreements <span style="float: right;">19</span>
	Funding conditions in respect of charges to learners <span style="float: right;">20</span>
<b>3</b>	<b>Learner eligibility</b>
	Introduction <span style="float: right;">21</span>
	Determination of learner eligibility <span style="float: right;">24</span>
	Normal recruitment area <span style="float: right;">27</span>
	Assessing eligibility <span style="float: right;">31</span>
	Spouses and civil partners <span style="float: right;">33</span>
	Definition of 'relevant date' <span style="float: right;">34</span>
	EEA, Switzerland and the overseas territories <span style="float: right;">35</span>
	Definition of ordinarily residence <span style="float: right;">37</span>
	Learners eligible for funding <span style="float: right;">38</span>
	Parents-to-be <span style="float: right;">43</span>
	No recourse to public funds <span style="float: right;">44</span>
	Learners not eligible for EFA funding <span style="float: right;">45</span>
	Learners from Wales, Scotland or Northern Ireland <span style="float: right;">49</span>
	Overseas learners <span style="float: right;">52</span>
	Age
	Learners of compulsory school age <span style="float: right;">54</span>
	Exceptional circumstances <span style="float: right;">56</span>
	Learners enrolled in schools <span style="float: right;">62</span>
	Groups of learners
	Higher education learners <span style="float: right;">63</span>
	Enrolment at more than one EFA-funded provider <span style="float: right;">64</span>
	Provision for offenders <span style="float: right;">65</span>
<b>4</b>	<b>Programme eligibility</b>
	Introduction <span style="float: right;">66</span>
	Eligible provision <span style="float: right;">71</span>

	paragraph number
<b>Funding eligibility and ‘additionality’</b>	
Subsidiary learning aims	74
Additional qualifications	76
Additional qualifications ineligible for funding	80
Definition of additional qualifications	81
Ineligible provision	82
<b>5 Definitions, qualifications and terminology</b>	
<b>16- to 18-year-old learner definition</b>	85
<b>Absence</b>	91
<b>Access to HE</b>	92
<b>Actual leaving date</b>	94
<b>Additional learning support (ALS)</b>	95
Defining the principles of use for ALS funding	98
<b>Advanced Extension Awards</b>	101
<b>Approved qualification</b>	102
<b>Collaboration</b>	103
<b>Curriculum entitlement</b>	
Funding entitlement and enrichment	106
<b>Diplomas</b>	108
<b>Fees charged to learners</b>	109
<b>Foundation learning</b>	110
<b>Free-standing Mathematics qualifications</b>	115
<b>Full time</b>	116
<b>Functional skills</b>	119
<b>Wider key skills</b>	121
<b>General qualifications</b>	
A levels (Advanced Certificates in Education)	123
Extended projects	125
Applied general certificates of secondary education (GCSEs)	126
GCSE (short-learning aim) qualifications	127
<b>Guided learning hours</b>	128
<b>Higher-level programmes for learners</b>	
Prescribed HE	129
Non-prescribed HE	132
<b>Individualised learner record (ILR)</b>	134
<b>Information, advice and guidance</b>	135
<b>In learning</b>	137
<b>International Baccalaureate</b>	138

	paragraph number
<b>LARA</b>	<b>140</b>
<b>Learner support</b>	<b>141</b>
<b>Learning aim</b>	<b>142</b>
<b>Learning programme</b>	<b>143</b>
<b>Minimum learning aim duration</b>	<b>144</b>
<b>National Vocational Qualifications (NVQs)</b>	<b>145</b>
<b>Partnership provision</b>	<b>151</b>
<b>Part-time learner</b>	<b>152</b>
<b>Pre-entry advice and guidance</b>	<b>153</b>
<b>Prince's Trust Team Programme</b>	
Unemployed learners	<b>157</b>
Employed learners	<b>160</b>
<b>Prior learning, exemption and achievement</b>	<b>161</b>
<b>Proportion of funding remaining (ILR field)</b>	<b>169</b>
<b>Qualification and Credit Framework (QCF)</b>	<b>172</b>
<b>Re-sits and re-takes</b>	<b>173</b>
<b>School census</b>	<b>178</b>
<b>School leaving date</b>	<b>179</b>
<b>(School) year 11</b>	<b>180</b>
<b>Start date</b>	<b>181</b>
<b>Unlisted learning aims</b>	<b>182</b>
<b>Work experience</b>	<b>188</b>
<b>6 Evidence of learner existence and eligibility</b>	
<b>Introduction</b>	<b>189</b>
<b>Evidence of learner existence and eligibility</b>	<b>190</b>
<b>Compliance evidence for learner eligibility</b>	<b>191</b>
<b>Funding implications</b>	<b>199</b>
<b>Records of learner existence and eligibility</b>	
Learning agreement	<b>200</b>
Enrolment form	<b>203</b>
Learner attendance	<b>208</b>
Register	<b>210</b>
Ceasing to attend, withdrawal from course and learning agreement amendment forms	<b>213</b>
<b>Achievement</b>	<b>214</b>
<b>Fee remission</b>	
Compliance evidence	<b>222</b>
<b>Documentation: all providers and partner-providers</b>	<b>224</b>
<b>Funding implications: all providers</b>	<b>225</b>

	paragraph number
<b>7</b>	<b>Sub-contracting provision controls guidance</b>
	<b>Introduction</b> 226
	<b>Classification of partner-provider delivery arrangements</b> 233
	<b>Direct delivery</b> 236
	<b>Partner-provider delivery</b> 237
	<b>Guidance on provision delivered with a partner-provider</b>
	General advice on contracts with a partner-provider 238
	Procurement 244
	Due diligence 249
	Controls over learners, tutors and provision 256
	Controls over qualifications and curriculum 261
	Other EFA-funded learners 265
	Monitoring (control) visits and spot checks 267
	Partner-providers with multiple provider contracts 273
	<b>Funding implications: all aspects of partner-provider provision</b> 275
	<b>Advice for heads of directly funded providers (Accounting officers) on all aspects of partner-provider provision</b> 276
<b>Annexes</b>	
<b>A</b>	<b>Acronyms and glossary</b>
<b>B</b>	<b>Withdrawals</b>
	<b>Compliance evidence for withdrawals</b>
	<b>Questions and answers on withdrawals</b>
<b>C</b>	<b>Academy and school sixth forms</b>
	<b>Funding eligibility summary</b>
	<b>Funding data arrangements</b>
<b>D</b>	<b>Defining EU, EEA and eligible overseas dependent territories</b>
	<b>Member states of the European Union</b>
	<b>Notes on certain territories that fall within the EU</b>
	<b>Member states of the European Economic Area (EEA)</b>
	<b>EFA eligible overseas territories</b>

# Executive Summary

## Education Funding Agency: Funding guidance for young people 2012/13

This document is part of a series of booklets, under the main heading Education Funding Agency (EFA) Funding guidance for young people 2012/13 (each separate document is listed below), and outlines the main features of the EFA funding arrangements for 2012/13. Additional guidance on particular aspects of funding can be found in the other booklets in the series.

- Funding regulations (this book)
- Rates and formula
- ILR funding returns

These booklets, as they are published, will be available from the [DfE website](#).<sup>1</sup>

Further information concerning the school census preparation and guidance can be found [on the Department for Education website](#).<sup>2</sup>

The EFA's general approach and strategic priorities for funding for all providers in 2012/13 are set out in 16-19 Funding Statement and Statutory Guidance 2012/13. To reduce duplication the EFA does not intend to restate the policy framework and imperatives in Funding guidance for young people 2012/13 and therefore all funding guidance documents should be read in conjunction with those documents.

This document called Funding regulations, for reference and information, is an integral part of the EFA's funding agreements for young people aged 16-19 and those aged 19-24 funded by the EFA. All guidance in the documents should be read in that context, unless specifically stated otherwise.

This document is set out in the following sections and annexes.

- Section 1 'Introduction and background' provides an introduction to the document.
- Section 2 'Principles and conditions of funding' states the key funding principles and conditions.
- Section 3 'Learner eligibility' states the key learner eligibility rules.
- Section 4 'Programme eligibility' states the key programme eligibility rules.
- Section 5 'Definitions, qualifications and terms' states some key guidance on a variety of funding issues.
- Section 6 'Evidencing learner existence and eligibility' states the key compliance rules.
- Section 7 'Sub-contracting provision controls guidance' states the key compliance rules that providers must apply when using sub-contractors.
- Annex A 'Acronyms and glossary' provides an explanation of the terms used in the document.

---

<sup>1</sup> [www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport/funding/a00209794/fundingguidance2012to13](http://www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport/funding/a00209794/fundingguidance2012to13)

<sup>2</sup> [www.education.gov.uk/schools/adminandfinance/schooladmin/ims/datacollections/schoolcensus](http://www.education.gov.uk/schools/adminandfinance/schooladmin/ims/datacollections/schoolcensus)

- Annex B 'Withdrawals' provides an explanation of when a learner should be treated as having withdrawn from their learning aim.
- Annex C 'Academy and school sixth forms – summary of funding eligibility' provides a summary of eligibility guidance for Academy and school sixth forms and the funding data arrangements' in respect of school census returns.
- Annex D 'Defining EU, EEA and eligible overseas dependent territories' provides a full definition of these areas to assist in reading Section 3 'Learner eligibility'.

The guidance in this document and all other EFA funding guidance 2012/13 documents is the definitive EFA guidance and takes precedence over any other separate documents. These documents describe the existing funding methodology and supersede any previous funding guidance.

For any further information, please contact the appropriate EFA office or for maintained schools their local authority. Contact details for each EFA office can be found on the [Department for Education website](#).<sup>3</sup>

### **Intended recipients**

Of interest to providers, other stakeholders and local authorities involved in managing and delivering EFA funded provision.

---

<sup>3</sup> [www.education.gov.uk/help/contactus/a0022/where-to-find-us](http://www.education.gov.uk/help/contactus/a0022/where-to-find-us)

# 1: Introduction and background

## Introduction

1. The Apprenticeship, Skills, Children and Learning Act (2009) established the current context for the funding arrangements for young people.
2. The national funding methodology has been used to determine the funding allocations for 2012/13. These allocations were agreed in March 2012 and have since been confirmed by the EFA for all individual providers. This guidance covers all 16-19 funding provided by the EFA. Separate funding arrangements apply for 16-19 Apprenticeships, through the National Apprenticeship Service and Skills Funding Agency.

## Background

3. This document sets out the EFA funding guidance for all funded programmes for young people in 2012/13 (referred to here after as 'the Guidance'). All providers that receive funding from the EFA (either directly or through local authorities (LAs)) for provision that falls within the scope of this document as defined in paragraph 9 are required to comply with the Guidance.
4. Directly funded EFA providers should treat the EFA territorial office that issued their funding agreement as their funding body for any queries on this guidance. For all EFA provision where funding is paid by the EFA to LAs (usually local authority maintained school provision), the LA should usually be treated as the funding body for any queries on this guidance.
5. To simplify the EFA funding guidance, in all separate books or documents the single term 'providers' will be used instead of a constant reference to Academies, schools, colleges and other providers. The individual type(s) will be used only where the Guidance applies only to that specific type(s) of provider. Similarly the single term 'learners' is used as a constant reference to guidance applying to all learners, students and pupils. The term 'pupils' is only used where the guidance solely relates to provision delivered in Academies or school sixth forms.
6. The information given in this document provides details of the EFA's approach to programme funding. This Guidance will operate in the wider policy contexts of the 16-19 Funding Statement and Statutory Guidance 2012/13.
7. EFA funding is paid on a teaching year basis with each funding year starting 1 August and ending on 31 July. LAs pay schools on a standard Treasury or LA financial year basis, usually starting 1 April and ending 31 March. This document is expected to be used by funding body auditors in their audit testing of colleges and other providers for the necessary evidence of compliance with the Guidance.
8. Definitions of the terms used in this document are set out in Section 5 and a list of useful Acronyms is included in 'Annex A: Acronyms and Glossary'. Annexes C and D relate only to provision delivered by Academies or school sixth forms whose data is returned through the school census return.

## Scope of this document

9. This document states the EFA funding regulations for provision to eligible learners who meet the following criteria:



- a. conform to the learner eligibility requirements as set out in Section 3 of this document, and
  - b. are aged 16-18, or
  - c. are aged 19-24 and have a Learning Difficulty Assessment (LDA) and have Additional Learning Support (ALS) needs over £5,500 and whom the EFA has agreed to fund.
10. At the time of publication, all the web links in this document were correct. A separate document will be loaded on the EFA funding guidance website page listing all web links in all funding guidance documents that will then be updated as any changes occur, rather than amending individual documents simply for any web link changes. The Department for Education (DfE) website is [www.education.gov.uk](http://www.education.gov.uk), and the EFA funding document page is at [www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport/funding/a00209794/fundingguidance2012to13](http://www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport/funding/a00209794/fundingguidance2012to13).
11. This document sets out the funding rules and regulations that apply to providers delivering EFA young people's funded provision for the whole year 1 August 2012 to 31 July 2013.

## 2: Principles and conditions of funding

### Principles of funding learning

12. The national funding formula used by the EFA to fund its provision reflects the nationally assessed directly incurred costs of efficiently delivered provision (with an appropriate contribution to overheads).
13. All EFA-funded provision delivered by providers should:
- a. note that funding is recorded at standard learner number (SLN) rates that reflect the costs of delivery and ensure that multiple funding for provision does not occur,
  - b. ensure that duplication of provision in a learner's programme of study is avoided and, where this occurs because of an overlap in learning aim content, adjust the funding recorded to reflect the degree of overlap,
  - c. discuss with their funding body what funding should be recorded in circumstances where the calculation of funding to be recorded results in a level of funding that is clearly well in excess of the costs incurred,
  - d. discuss with their funding body what funding should be recorded where providers wish to make provision that is in the best interests of their learners but the standard funding arrangements are viewed as a barrier,
  - e. avoid recording EFA funding for any part of any learner's programme of study that duplicates that received from any other source, for example funding from either the Skills Funding Agency, Higher Education Funding Council for England (HEFCE) or from any other source, and
  - f. only record funding for learners assessed as eligible for EFA funding as stated in Section 3 of this document.

14. To ensure that the costs of efficiently delivered provision are reflected in the national SLN values and in national rates, the EFA gathers and reviews the evidence available that relates to such costs.

## **Strategies for increasing participation, reducing NEET, supporting learners with learning difficulties and disabilities and closing the attainment gap**

15. A key priority of the Government is to eliminate the gap in attainment between those from poorer and more affluent backgrounds, and to ensure every young person participates in and benefits from a place in 16-19 education and training. Learners with learning difficulties and/or disabilities must also be supported as a priority. In its response to the Wolf Report, the Government has set out that post-16 programmes of study need to support students to achieve English and Mathematics at level 2. The EFA intends providers should be able to utilise both their general programme and their low cost ALS funding to support these ambitions and this is reflected in the changes outlined below.
16. There are three dimensions to disadvantage in an educational context.
  - a. General economic disadvantage related to a young person's background or the circumstances in which they live or find themselves.
  - b. Specific educational disadvantage related to their prior attainment or any learning difficulty and/or disability that affects their ability to benefit from learning.
  - c. The ability to meet the everyday costs of participating in education and/or training are covered by the 16-19 bursaries.
17. The Government provides funding to tackle all types of disadvantage and to support learners with learning difficulties and disabilities, both through the EFA's funding formula and through support to help young people meet the costs of participating in education and training post-16. Providers are encouraged to use all elements within the funding formula which focus on disadvantage flexibly to support disadvantaged young people who would otherwise not engage in education to participate and achieve their potential. Low cost ALS is not ring fenced for this purpose so that providers have the freedom to employ the strategies that specifically attract, retain and support the achievement of disadvantaged students and those with learning difficulties and disabilities.
18. To both encourage these activities and reduce unnecessary bureaucracy in the sector the EFA does not issue low cost ALS forms. This should assist providers in keeping ALS administration costs to a minimum.

## **Funding agreements and conditions**

### **Funding agreements**

19. In general, the EFA will enter into grant agreements with individual providers paid directly by the EFA and with each LA for their maintained school provision. The grant agreement will set out the funds that the EFA has agreed to pay for the education and training provision expected to be delivered in return for that funding. These include EFA conditions in respect of charges that may be made to learners for their provision.

## Funding conditions in respect of charges to learners

20. The EFA will attach conditions to its grant funding in accordance with the following guidance by the Secretary of State.
- a. Tuition fees shall not be charged to learners aged 16-18 in full time or part-time education. DfE has advised that 'no fee should be charged to learners aged 16-18 for instrumental tuition which is part of the syllabus for a prescribed public examination', which includes music qualifications on the Section 96 list. For the purposes of the funding agreement, '18', means 'under 19 on 31 August in the teaching year when the learner commences a programme of study'. It is intended that such learners should continue to receive free tuition in any consecutive subsequent year of study on the same programme.
  - b. No compulsory enrolment, registration or examination fees shall be charged to learners aged 16-18 in full time or part-time education. Providers will, however, be able to seek voluntary contributions from learners or their sponsors.
    - i. Providers would be able to apply reasonable conditions of attendance in order to qualify for free examination entry.
    - ii. Providers will be able to charge for examinations and re-sits as follows.
      - Where the required attendance or completion of work has not been completed.
      - Where the learner fails without good reason to sit the examination for which the provider has paid.
      - Where a learner re-sits an examination resulting from an initial examination failure.
      - Where a learner re-sits an exam with the aim of achieving marginal improvements in grades.
    - iii. Providers should ensure that requirements for attendance and coursework are applied reasonably. Absences or non-completion of coursework because of illness or other acceptable reasons should not be grounds for charging.
    - iv. Requests for voluntary contributions must make it clear that there is no obligation to contribute, and that learners would not be treated differently according to whether they or their sponsors have made any contribution in response to the request. Any request for voluntary contributions needs to be adequately communicated in advance of the activity taking place.
    - v. The prohibition on charging will not apply to other charges, for example relating to equipment, special clothing or materials for vocational learning aims. Where clothing or equipment is necessary for the learner's health or safety, a charge may be made for clothing and equipment that the learner retains, but only if the learner also has the option of borrowing the clothing or equipment free of charge.

- vi. Similarly, the prohibition on charging does not apply to the sale of learning materials in bookshops, or similar facilities in institutions, that enable students to secure discounts on books, stationery or similar materials.
  - vii. Some charges are not defined as fees, and therefore fall outside the scope of this condition. Fines and deposits are not fees. Examples include fines for the late return of library books or other disciplinary fines (provided such penalties have been made known in advance); and deposits on lockers, ID cards, keys, library cards or smartcards and equipment that are fully refundable except in cases of damage or theft.
  - viii. Providers may charge learners who require additional administrative services that result in extra expense for the provider and that are consequences of a learner being in default and could therefore have been avoided. Examples are charges for replacement of lost items such as keys, ID cards, library cards and smartcards.
  - ix. Charges for photocopying and printing, including computer printouts, are not fees as long as they are not course-specific, are optional and there are alternative sources for these services.
  - x. Providers may charge learners for the recreational use of leisure and other non-academic facilities where the activity taking place is not a requirement of a course syllabus or not part of a student union membership free entitlement.
  - xi. Charges may continue to be made for the travel, board and lodging and other additional costs, including any tuition costs, associated with field trips and similar activities that may form part of or be outside the requirement of the course syllabus or agreed learning programme.
  - xii. Charges may be made for optional extra activities where the activity is taking place outside a required part of an agreed learning programme, and charging is at the discretion of the provider that would otherwise meet the cost of provision. Examples of optional extra activities include theatre, cinema or museum visits or other day or residential visits that are not a requirement of course syllabuses.
  - xiii. There is no requirement to charge for optional extras. The provider funding the activity is free to determine whether any charge should be made for it and, if so, how much should be charged and to whom.
- c. For any provision funded by the EFA for learners with learning difficulties or disabilities aged 19 to 24 who are funded using the Skills Funding Agency methodology providers also need to evidence learner eligibility and fee remission as set out in document *Skills Funding Agency Learner Eligibility and Contribution Rules 2012/13*. The following specific conditions apply to these learners.
- i. Such learners need to be eligible for funding under *Skills Funding Agency Learner Eligibility and Contribution Rules 2012/13*;
  - ii. No tuition fees shall be charged to learners who are eligible for fee remission as set out in the document *Skills Funding Agency Learner Eligibility and Contribution Rules 2012/13*.

## 3: Learner eligibility

### Introduction

21. This section provides the detailed guidance on the EFA learner eligibility approach together with guidance on compliance in evidencing learner eligibility in Section 6 to assist providers in their enrolment processes.
22. The rules on eligibility for young people are broadly similar to the pre-16 school eligibility rules and learners will consistently be either eligible or ineligible for EFA funding at all provider types.
23. Providers are reminded that eligibility to participate in a programme should not be confused with the suitability of the programme for a learner's needs. The EFA expects providers to be able to demonstrate educational progression for learners recruited onto programmes funded by the EFA and to be able to record evidence of good educational reasons for any individual learners recruited to non-progression programmes.

### Determination of learner eligibility

24. For funding purposes, the eligibility of the learner must be established at the start of his or her programme. In order for a learner to be eligible for funding for their learning programme, the learner must have the legal right to be resident in the United Kingdom at the start of their programme. Any person subject to a Home Office deportation order will ordinarily be ineligible for funding until their situation has been resolved to the satisfaction of the Home Office, as funding should only be claimed for learners who can complete their programmes.
25. In determining learner eligibility, providers should also satisfy themselves that there is a reasonable likelihood that the learner will be able to complete their programme of study before seeking funding for the learner. This should include the practicality of providing a place for a learner who may be unable to complete their programme if they are likely to leave the country permanently during their learning programme. Once a learner is enrolled by a provider they are expected to take all reasonable steps to ensure that the learner can complete their programme.
26. Learners who are attending programmes of more than one term's duration, and are eligible for funding at the start of their programme, will usually be eligible for funding for the whole duration of their learning programme as well as any subsequent funded programmes studied immediately end-on to their initial funded programme. This includes learners switching between EFA and Skills Funding Agency funded programmes. This includes learners studying consecutive programmes with no break in studies other than normal holiday periods. Similarly, learners who are not eligible for funding at the start of their programme are very unlikely to become eligible for funding during the period of their learning programme.

### Normal recruitment area

27. All colleges and providers are expected in determining their enrolment priorities, to take account of our duties and responsibilities to the local population of learners.
28. The funding body will usually regard a provider's normal recruitment area as the area the provider is physically situated which is expected to also take account of learners in their normal travel to learn patterns. This may include parts of Scotland or Wales

where a provider is situated close to the border and this is explained in more detail in paragraph 49.

29. Historic funding eligibility problems have more often arisen where learners are attending providers outside of their normal recruitment area. In such cases additional safeguards are required from providers for all such delivery as set out in Section 7.
30. This definition may be varied more tightly or loosely by the funding body, depending on the provider location, and each territorial office can help providers to agree a reasonable definition of their normal recruitment area.

### **Assessing eligibility**

31. The main basis for assessing learner eligibility is their ordinary residence and the following paragraphs set out the EFA funding eligibility criteria.
32. Providers are reminded that they should seek advice from their funding body regarding any case where they are having difficulty assessing learner eligibility.

### **Spouses and civil partners**

33. All eligibility references to a spouse should now be read to include a person who has participated in either a formal state-recognised marriage or a state-recognised civil partnership ceremony.

### **Definition of 'relevant date'**

34. In the learner eligibility paragraphs below, the term 'relevant date' refers to 'the first day of the first academic (or teaching) year of the course' and this is defined as:
  - a. 1 September if the academic year starts between 1 August and 31 December,
  - b. 1 January if the academic year starts between 1 January and 31 March,
  - c. 1 April if the academic year starts between 1 April and 30 June,
  - d. 1 July if the academic year starts between 1 July and 31 July.

### **EEA, Switzerland and the overseas territories**

35. For funding eligibility purposes, the EEA is defined as all members of the EU and Iceland, Liechtenstein, Switzerland and Norway and each of their overseas territories as listed in Annex D. The Fees and Awards Regulations now confer extended eligibility on EEA citizens and their extended family members (such as grandchildren and grandparents). Learners who are nationals of certain British Overseas Territories and of certain European Overseas Territories will also be eligible for funding, subject to the usual three-year rule on residency. Qualifying territories are listed in Annex D.
36. Learners who are nationals of any new countries that join the EU (or EEA) or who become nationals of the EEA during their programmes will usually be eligible for funding at the 'home' rate from the start of the next teaching year, subject to the learner meeting the normal three-year residency requirements in the revised EEA, and for programmes that start on or after the date they become a EEA national.

### **Definition of ordinarily resident**

37. For funding purposes, the EFA regards as ordinarily resident in a given country any person who habitually, normally and lawfully resides from choice and for a settled purpose in that country. Temporary absences from the relevant area should be

ignored. Someone who has not been ordinarily resident because he or she or the person's parent or spouse or civil partner was working temporarily abroad will be treated as if the person had been ordinarily resident in the relevant area.

## Learners eligible for funding

38. The following persons will be eligible for funding (these groups correspond to the groups listed in the Education (Fees and Awards) (England) Regulations 2007), namely:
- a. A person on the 'relevant date' who is 'settled' in the UK, and who has been ordinarily resident in the UK and Islands (that is including the Channel Islands and the Isle of Man) for the three years preceding the 'relevant date' (see paragraph 34 above), and whose main purpose for such residence was not to receive full time education during any part of the three-year period. 'Settled' means having either indefinite leave to enter or remain (ILE/ILR) or having the right of abode in the UK. British citizens and certain other people have the right of abode in the UK:
    - i. those with European Community-United Kingdom of Great Britain and Northern Ireland passports,
    - ii. British Dependent Territory Citizens (now known as British Overseas Territory Citizens),
    - iii. those whose passports have been endorsed to show they have right of abode in the UK,
    - iv. those who have a certificate of naturalisation or registration as a British Citizen.
  - b. A national of any European Union (EU) country or the spouse, civil partner or child or grandchild or dependant parent or grandparent of an EU national, or of the EU national's spouse or civil partner, where the learner has been ordinarily resident in the European Economic Area (EEA) for the three years preceding the 'relevant date'.
  - c. An EEA migrant worker or the spouse, civil partner or child or dependant parent or grandparent of an EEA migrant worker, or of the EEA migrant worker's spouse or civil partner, where the learner has been ordinarily resident in the EEA for the three years preceding the 'relevant date'.
  - d. Anyone who is recognised as a refugee by the UK Government (granted refugee status) who has remained ordinarily resident in the UK and Islands since being so recognised, or the spouse or civil partner or child of such a refugee.
  - e. Anyone refused refugee status but who has been granted leave to stay by the Secretary of State, granted humanitarian protection (HP) or discretionary leave (DL), or was granted exceptional leave to enter or remain (ELE/ELR) by the UK Government, and who has remained ordinarily resident in the UK and Islands since being so recognised, or the spouse, civil partner or child of such a person.
  - f. Learners studying under reciprocal exchange agreements.
  - g. Learners who are children of Swiss nationals where the learner has been resident in the EEA for the full three-year period prior to the commencement of their programme.

- h. Learners who are children of Turkish workers where the Turkish worker has been lawfully employed and resident in the UK at any time in the past and where the learner has been resident in the EEA and Turkey for the full three-year period prior to the commencement of their programme.
39. The EFA will also treat a non-EEA national who is in the UK with work-related immigration permission as eligible for funding after completing three years of residence in the UK with any work-related permission, or the spouse, civil partner or child of such a person.
40. In addition to considering the groups outlined above, the EFA will also consider the following groups of learners to be eligible for funding:
- a. People with humanitarian protection (HP) or discretionary leave (DL) or exceptional leave to enter or remain (ELE/ELR), their spouses, civil partners and children.
  - b. People with recently settled status (this means those having been granted indefinite leave to enter or remain, right of abode or British citizenship within the three years immediately preceding the start of the course).
  - c. The spouse or civil partner of a person with settled status, who has been both married (or has undertaken a recognised civil partnership ceremony) and resident in the UK for one year.
  - d. The spouse or civil partner of an EEA national living within the UK, who has been both married (or has undertaken a recognised civil partnership ceremony) and resident in the UK for one year.
41. In addition to the groups above, the EFA will also consider the following groups of learners aged up to and including the age of 18 as eligible for funding:
- a. Those who are accompanying or joining parents who have the right of abode or leave to enter or remain in the UK (or accompanying or joining parents who are EEA nationals), or those who are children of diplomats.
  - b. Those who are dependants of teachers coming to the UK on a teacher-exchange scheme.
  - c. Those who are entering the UK (where not accompanied by their parents) who are British (or EEA) citizens whose passports have been endorsed to show they have the right of abode in this country.
  - d. Asylum seekers.
  - e. Those who are (including unaccompanied asylum seekers) placed in the care of social services or those in receipt of Section 4 support.
42. In addition to considering learners in the categories listed in paragraphs 38-41 above, the funding body will consider other exceptional circumstances. Where a provider believes that a learner should be considered for funding under exceptional circumstances, it should contact its funding body.

## Parents-to-be

43. Learners who are expecting to be unavoidably absent from learning for a period of time, such as for maternity or paternity leave, should not be discouraged from entering into a learning agreement. Providers should ensure that the planned start and end dates for the learner's programme, as agreed at the commencement of the programme, reflect the overall planned duration of study.



## **No recourse to public funds**

44. Someone who has 'no recourse to public funds' included in their passport stamp would not be in breach of their immigration conditions if they had access to state-funded education in the UK. 'Public funds' are defined in the immigration rules, and the benefits and services listed do not include education or any education funding. This condition in a passport therefore makes no difference to a learner's eligibility, which must be determined under the normal eligibility criteria described in paragraphs 38-42 above.

## **Learners not eligible for EFA funding**

45. Learners undertaking full time programmes fully funded either by the Higher Education Funding Council for England (HEFCE) or the Skills Funding Agency or any EFA funding model are usually ineligible for other EFA funding models, as the funding provided is intended to cover the whole of their learning programmes. All and any additional educational programmes that are appropriate for individual learners should be claimed through their full time provider. For example, a school sixth form learner will be ineligible for other 16-18 learner -responsive funding.
46. Learners from overseas (outside the EU and EEA) whose main reason for residence in England or the EEA has been attendance at a fee-paying school or non-maintained school are not usually eligible for funding. Periods spent in the UK as overseas fee-paying learners in either public or private education do not count towards the three year period of legal residency in the UK that is usually required from non EEA learners to be eligible for EFA funding.
47. All learners who require a Confirmation of Acceptance of Studies (CAS) in order to obtain Home Office 'Tier 4 student immigration permission' to remain in UK are usually ineligible for EFA funding.
48. The EFA expects providers not to jeopardize the reputation of either themselves or the funding agency in terms of safeguarding public funds in their general learner recruitment policy and practice in recognition that the EFA Treasury settlement is intended to fund education and training for young people resident within England before starting their individual programmes. Providers are therefore not expected to recruit entire groups of learners from outside their local area and prior permission to enrol such learners must be sought from the funding body.

## **Learners from Wales, Scotland or Northern Ireland**

49. Providers are reminded that Wales, Scotland and Northern Ireland have their own funding arrangements. There may be exceptional circumstances where, on occasion, individual Scottish or Welsh learners may wish to travel to or reside in England to study when specialist provision is not offered locally. For providers close to the borders some local areas within Wales and Scotland are expected to form part of their normal recruitment area as agreed by their EFA territorial office as set out in paragraphs 27-30.
50. Learners of all nationalities who are dependants of serving members of the British Armed Forces should be considered eligible for funding throughout their period of service on the same basis as other young people legally living in England where they attend funded providers.
51. All learners whilst living in the Channel Islands and Isle of Man remain ineligible for EFA funding as the funding responsibility for their programmes remain with their own independent governments.

## Overseas learners

52. For funding purposes, an 'overseas' learner will be defined as one who does not meet the criteria defining a 'home' learner as set out in paragraphs 38-42 above. Overseas learners are not eligible for funding and these learners can be charged full-cost tuition fees.
53. Providers should ensure that they have at least one member of staff who is familiar with and able to advise the provider on the funding of learners from abroad. Where a learner is ineligible for funding, the appropriate level of fees should be charged. To avoid any inconsistency of approach, full-cost fees cannot be charged to a learner for whom funding is also being claimed.

## Age

### Learners of compulsory school age

54. There is a single date when young people can legally leave school in England, which is the last Friday in June for those people who have completed Year 11. For the purposes of funding, 'under 16' means 'of compulsory school age'.
55. Where parents seek to enrol a young person of compulsory school age on a full time programme, colleges and providers are advised to involve the school and local authority (LA) in discussions as appropriate. Colleges and providers are reminded that the dedicated school grant (DSG) calculated for each LA contains funds for each learner of compulsory school age in a maintained school, excluded from school, or educated 'otherwise'. In most cases, a provider wishing to enrol a learner of compulsory school age should seek funding from the LA or school if appropriate.

### Exceptional circumstances

56. The EFA may fund provision for learners of compulsory school age. The Secretary of State would expect the EFA to exercise its power to secure provision for such learners only in exceptional circumstances. The learner numbers underlying the proposed grant to the EFA do not allow for any general expansion in the number of learners 'under 16'.
57. For individual compulsory school age learners who have completed their statutory education and hold qualifications at least equivalent to a full level 2 (achieved at an earlier age than normal) and who wish to enrol on a full level 3 course in autumn 2012 then providers may record them for post-16 funding without the need for any further bureaucracy involving individual learner approval by the EFA and these learners will be counted for lagged funding purposes. All other compulsory school age learners seeking post-16 funding are subject to the guidance in the next paragraph.
58. In exceptional circumstances, the EFA will consider provision for other learners of compulsory school age to be eligible for EFA funding, subject to the following conditions.
  - a. The provision must meet an individual learner's needs, bearing in mind the learner's aptitude and ability, and the provision must be included on the Section 96 list as suitable for pre-16 as well as post-16 learners.
  - b. It is not envisaged that groups of learners would be eligible for funding, since by inference such circumstances are unlikely to be exceptional.

59. Learners who finish school in the early summer each year are funded and counted for government purposes as part of the year 11 group in academies and secondary schools. Providers are only expected to target a small, specific group of learners for inclusion in the same ILR funding year return as their year 11 study. If providers have any such year 11 learners who are enrolled after the school leaving date (last Friday in June) then they should notify the EFA territory before including these learners in their data returns for funding purposes
60. In the above paragraphs the EFA allows for small scale recruitment of learners of compulsory school age for summer programmes. The priority for any learners who may be included are:
- those learners who have had disrupted year 11 school education, or
  - those who are expected to have very low attainment from their year 11 studies and are therefore at high risk of being not in education, employment or training (NEET) in the following year.
61. While summer programmes for year 11 learners will continue to be funded in 2012/13, the EFA will not count any year 11 learners who are enrolled in that same teaching year in further education when calculating lagged learner numbers for future funding allocations. Where such learners are enrolled in 2012/13, or were enrolled in 2011/12, the EFA will remove them from the number of learners to be funded for 2013/14 and adjust the factors relating to size of programme accordingly. Providers are free to offer any taster or induction programmes to other learners but they should not be included in ILR data returns for the same funding year that learners complete their year 11 (or any earlier year) studies so as to boost learner numbers for funding purposes.

#### Learners enrolled in schools

62. The EFA will not fund further education (FE) providers directly for learners who are enrolled full time in a school and who wish to follow part of their programme at a FE provider during school hours. In such circumstances, whatever the age of the learner, this provision should be treated as collaborative or link provision, and the school is expected to meet the costs of this provision.

## Groups of learners

#### Higher education learners

63. The EFA does not expect to fund FE qualifications or other programmes for groups of Higher Education (HE) learners. The funding provided by the Higher Education Funding Council for England (HEFCE) for HE learners is intended to fund all of the learners' programmes. If, in order to gain their HE qualifications, a group of learners requires, for example, key skills, additional tuition in mathematics or sports coaching awards, then this would normally be funded out of the resources provided by the HEFCE for the HE programme.

#### Enrolment at more than one EFA-funded provider

64. While the EFA recognises that learners may occasionally enrol at more than one provider, groups of learners enrolled on a full time programme at one provider should not be enrolled on part-time programmes with other providers, especially through franchised provision. For example, it would not be appropriate for several learners enrolled on a full time sports and leisure programme to be enrolled at another

provider to undertake a first-aid or sports coaching qualification. This could lead to an over claim for funding.

### Provision for offenders

65. Offenders' learning and skills is a key government priority. To assist in delivering this priority and reduce bureaucracy, any provider delivering agreed EFA-funded programmes to learners detained in English prisons may treat detainees as learners eligible for EFA funding without the usual evidence required under paragraphs 38-42 above. This concession only applies to learners detained in prison and not to learners serving community sentences, those under supervision in the community or those detained in immigration centres.

## 4: Programme eligibility

### Introduction

66. The programme eligibility guidance reflects the Coalition Government view that it is not for the Government or its agencies to determine either which individual qualifications a learner should take, or to develop or generate new qualifications. Providers through their Information, Advice and Guidance (IAG) processes should determine the curriculum offer to meet the needs of learners including their HE entry and employment entry needs. The Government through regulation by Ofqual will make sure existing qualifications are "rigorous, challenging and properly prepare our young people for life, work and study".
67. For 14-19 year old learners, providers are now and in the future expected to deliver qualifications from regulated awarding bodies whilst taking account of the concerns expressed in the Wolf Review that learners need 'a balanced and broad programme of study' rather than the current system of individual qualifications where entry is managed on the basis of the funding and success rate impact on the provider.
68. All providers are encouraged to consider, in planning their curriculum offer, the Government intention to move towards per-student rather than per-qualification funding within the lifetime of this Parliament. In recognising the less restrictive nature of the current *Funding guidance for young people* it is important that providers retain the intention, spirit and framework that has been set out by the Government for delivery of education and training opportunities to 14-19 year old learners.
69. The following paragraphs identify the broad categories of eligible and ineligible provision. They also identify the key funding eligibility issues that providers need to take into account to avoid any accusations of recording or claiming public funding for duplicated or non-fundable subsidiary/additional individual learner provision.
70. Where a provider intends to deliver provision that is not clearly identifiable within the implied terms of this Guidance, the provider should contact its funding body, seek written clarification before proceeding and retain evidence of any guidance given.

### Eligible provision

71. All young people, regardless of their starting point, should be stretched to their full potential. It therefore remains the current expectation and policy that young people should be predominately enrolled in learning which leads to an external certificate offered by a regulated awarding organisation and approved on Section 96. Lower

attaining pupils should be supported to progress to GCSE level qualifications wherever appropriate. Funding for non-regulated qualifications will be the exception.

72. All qualifications that are eligible for EFA funding are identified in the Learning Aims Reference Application (LARA).
73. Providers should also be aware that the key eligibility principle in relation to qualifications falling out of approval applies. This means that no funding is available for any new enrolments onto qualifications after the approval end date where suitable approved qualifications are available.

## **Funding eligibility and ‘additionality’**

### **Subsidiary learning aims**

74. The following paragraphs explain the restrictions that solely apply to recording funding on data returns for additional or subsidiary qualifications aims. No restrictions apply to what providers may choose to teach learners for which no public funding is recorded.
75. The EFA will not fund learning aims that are subsidiary to other learning aims in a learning programme. Learners will not be funded where they are following two different levels of the same subject at the same time. For example, a learning programme comprising GCSE Spanish and AS-level Spanish at the same time within the same 12-month period would not be funded for the subsidiary GCSE learning aim.

### **Additional qualifications**

76. During 2008 the Learning and Skills Network (LSN) were commissioned to examine the value of additional qualifications for learners, employers and institutions of further and higher education. The findings were positive and good practice was identified alongside some areas for improvement.
77. Additional qualifications are seen by stakeholders and the sector as adding value where they contribute to a balanced and mixed curriculum which offers and enables progression to further learning and meaningful employment. However, not all institutions and providers use additional qualifications in this way. A number of good practice principles are outlined below, which providers are strongly advised to follow to ensure eligibility for the additional qualifications they deliver.
78. Research has determined that gaining a level 2 standard in literacy and numeracy greatly enhances learners’ potential to achieve a level 3 standard. Therefore the first priority for funding used to provide additional qualifications should be given to literacy and numeracy qualifications including functional skills where the learner is yet to achieve a level 2 standard in literacy or numeracy.
79. Other additional qualifications will also be supported where they:
  - a. have a sound educational rationale in the context of the learner’s initial assessment and aspirations, and
  - b. are directly related or relevant to the learner’s main programme of learning, or
  - c. directly support the development of recognised functional skills or independent living or thinking skills, or
  - d. directly support progression to employment, or

- e. enhance the learner's UCAS points score and the qualification is directly relevant to the access requirements for the HE course that the learner aspires to take.

#### Additional qualifications ineligible for funding

80. The EFA will not fund additional qualifications:
  - a. that duplicate any other learning funded by the EFA or from any other source,
  - b. that include any learning which is or could be funded through entitlement funding,
  - c. that are not relevant to the learner's main programme or are not in line with the principles above.

#### Definition of additional qualifications

81. A learner's main learning aim is defined as the learning aim with the highest SLN value. Therefore additional qualifications are all other learning aims. There are two exceptions to this rule.
  - a. Where the learning aims are a constituent part of a defined programme of learning, i.e. a 14-19 diploma or progression pathway, in which case only qualifications outside the framework are classed as additional.
  - b. Where the learner is enrolled on a group of AS or A2 qualifications, in which case only qualifications which are not AS or A2 levels are classed as additional.

#### Ineligible provision

82. The following provision is **not eligible** for EFA funding.
  - a. Costs related to obtaining membership of professional bodies.
  - b. Qualifications falling out of approval. The course itself (that is, the teaching and learning, and not just the learner induction) must have commenced before the approval end date. However, the EFA will fund continuing learners enrolled on programmes before the approval end date in order to enable them to complete. Where learners are enrolled onto a course leading to a qualification nearing the end of its approval, colleges and providers are reminded that they are responsible for checking qualification availability, final registration and certification end dates with the awarding body.
  - c. Prescribed HE, including:
    - i. learning aims for the further training of teachers or youth or community workers,
    - ii. postgraduate learning aims,
    - iii. first-degree learning aims,
    - iv. learning aims for the Diploma in HE,
    - v. foundation degrees,
    - vi. learning aims for the Certificate in Education,
    - vii. learning aims for the HND or HNC,
    - viii. learning aims for any diploma awarded by an HE institution.

- d. Company-specific knowledge learning aims.
  - e. Vendor-certificated courses, unless they are approved qualifications or are embedded within and contribute directly towards the generic learning required to achieve an approved Section 96 qualification. Examples of vendor certificates include those of information technology companies that are specific to those companies' own products and services.
  - f. Primary and advanced driving skills (for example, defensive driving) or piloting skills.
  - g. Any one day provision or very short learning aims of fewer than 9glh delivered through sub-contracted or partnership arrangements.
  - h. Inward collaborative provision, (that is, provision delivered by the provider on behalf of another funded provider).
  - i. Any other learning aims that are considered to be fully funded from other sources including all full cost-recovery provision.
  - j. Approved qualifications identified on LARA as ineligible for funding.
83. Learners are also ineligible for funding if they are recruited to attend short programmes at one provider while they are already enrolled on EFA funded provision at another provider. The funding principle remains that learners should only be funded at one provider at a time. Some examples are:
- a. very short learning aims of fewer than 9 glh, or of only one-day in duration,
  - b. specific stand-alone learning aims designed to meet employers' statutory or other responsibilities. These include learning aims in health and safety, food safety, first aid and other health- and safety-related aims delivered as stand-alone provision for employers.

## 5: Definitions, qualifications and terminology

84. This section provides detailed definitions and funding explanations of some of the key terms used in this Guidance. Explanations of acronyms are provided in Annex A.

### 16- to 18-year-old learner definition

85. A 16- to 18-year-old learner is any learner who is aged 16, 17 or 18 on 31 August in the relevant funding year. Such learners are normally eligible for EFA funding, subject to the other regulations in this guidance.
86. To maintain eligibility for funding for individual learners during a learning programme, a wider definition has been agreed with the Skills Funding Agency. For funding eligibility purposes, any learner who was aged 16, 17 or 18 on 31 August in the funding year when they began a programme of study continues to be funded as a 16- to 18-year-old learner. This wider definition ensures that the funding eligibility of a learner does not change if they become 19 years old during their programme. Such learners are funded at 16-18 rates and, if full time, may be funded for the 16-18 entitlement. They do not have to pay tuition fees if they become 19 during their programme, and colleges and providers may continue to claim fee remission. To assist in understanding this paragraph a learning programme is defined in paragraph 143.

87. The EFA also funds learners aged 19-24 on the 31 August in the relevant funding year who have a Learning Difficulty Assessment (LDA) and have ALS needs over £5,500 in the year.
88. Learners aged 19 or over who started their programme aged 16-18 under the definition in paragraph 86 ('19+ continuing learners') are funded by the Skills Funding Agency in FE and specialist colleges and in independent private providers, but by the EFA in sixth form colleges and in schools and Academies. Funding for these learners in sixth form colleges was transferred to the EFA in 2011/12 and this continues for 2012/13.
89. All other learners aged 19 and over on 31 August in the relevant funding year (those not defined in the above two paragraphs) would not normally be funded by the EFA. These learners will be funded at adult rates and be ineligible for entitlement funding unless they meet the eligibility criteria for learners completing learning programmes started whilst 16-18 as set out in the above paragraph.
90. The EFA would not normally fund 16-year-olds until after they have left school. The official school-leaving date is the last Friday in June of the academic year, and 16-year-old learners (as defined above) would only normally be eligible for EFA funding after that date.

## Absence

91. A provider may continue to record funding for reasonable absences of up to four weeks (28 days) by learners from their programmes who continue in learning after the absence. The EFA does not distinguish between authorised and unauthorised absence for funding purposes.

## Access to HE

92. All QAA-recognised Access to HE courses will lead to the award of the Access to Higher Education Diploma and will be identifiable by a qualification title using a standard format: Access to HE Diploma (subject/area of study). This and other requirements are detailed in the Diploma credit and qualification specifications, available from the [Access to HE website](#).<sup>4</sup>
93. Access to HE programmes are designed to support adults seeking entry to HE and the EFA funds any young people on these programmes by exception. Access to HE learning aims that are followed for at least 450 glh or more per year have a listed funding rate in the companion document, Funding Rates and Formula, at Annex A. All other Access to HE programmes will be treated as unlisted for funding purposes.

## Actual leaving date

94. This is the date when the learner completes their learning activity, or the date when the learner is deemed to have terminated the learning activity, if this is an earlier date (as set out in the [Specification of the Individualised Learner Record 2012/13](#)).<sup>5</sup> Full guidance on withdrawals is available in Annex B.

---

<sup>4</sup> [www.accesstohe.ac.uk/home/publications/creditspecificationsdraft06/creditspecificationdraft06.pdf](http://www.accesstohe.ac.uk/home/publications/creditspecificationsdraft06/creditspecificationdraft06.pdf)

<sup>5</sup> [The Information Authority - ILR - ILR Documents - ILR Specification, Validation Rules and Appendices for 2012/13](#)



## Additional learning support (ALS)

95. Additional learning support (ALS) is any activity that provides direct support for learning to individual learners, over and above that which is normally provided in a standard learning programme that leads to their learning goal. ALS is only available for learners on funded programmes. ALS is required to help learners gain access to, progress towards and successfully achieve their learning goals. The need for ALS may arise from a learning difficulty and/or disability, or from support required to access a progression opportunity or employment, or from literacy, numeracy or language support requirements.
96. Providers are only required to return ALS costs in the ILR for high-cost learners which are defined as those learners with ALS costs above £5,500 (includes learners aged 19-24). The high-cost ALS form and companion guidance is available from the [EFA Funding Guidance 2012/13 webpage](#).<sup>6</sup>
97. The companion document Funding rates and formula explains the formula used by the EFA to make low-cost ALS allocations to providers. The allocation formula cannot be replicated in the ILR for providers to record low-cost ALS and therefore on the funding claim a different formula is used to generate out-turn low-level ALS. This is explained in the document ILR Funding Returns. This removes the need for providers to record low-cost ALS on the ILR or complete low-cost EFA forms.

### Defining the principles of use for ALS funding

98. All providers are reminded that ALS allocations are intended to enable providers to meet the additional costs incurred in delivering provision to learners with identified wholly and exclusively additional individual support needs resulting from learning difficulties and/or disabilities, or from support required to access progression opportunities or employment, or from literacy, numeracy or language support requirements. ALS funding is not intended and should not be used to cover any general running costs incurred by a provider.
99. The activities for which ALS funds may be used are intended to be additional activities that provide direct learning support to learners. They are not intended to include activities that would more usually be classified as learner financial assistance. Consequently, the definition of ALS used for funding purposes does not include childcare or transport to the provider, although it could include transport between different sites of the provider for learners with mobility difficulties.
100. Providers are only expected to account for spends of low-cost ALS at an institutional level to avoid unnecessary administration and bureaucracy. All providers should be able to demonstrate publicly the progress they have made towards Government objectives through the use of the funds, for example through a public statement on the use of their budgets to support disadvantaged young people and/or reporting to their governing bodies.

## Advanced Extension Awards

101. The Advanced Extension Awards (AEAs) were withdrawn after the June 2009 examination series, except in mathematics where the qualification will continue until at least June 2013. The AEA in mathematics is not eligible for EFA funding as it does not require any additional teaching content over the usual A level delivery.

---

<sup>6</sup>[www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport/funding/a00209794/fundingguidance2012to13](http://www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport/funding/a00209794/fundingguidance2012to13)

## Approved qualification

102. An approved qualification is a current qualification listed on Section 96.

## Collaboration

103. The EFA strongly encourages collaboration between schools, colleges and independent training providers. It also encourages collaboration with independent schools, particularly for minority A-level subjects.
104. Consortia must ensure that learners within the consortium are recorded on only one provider's records. The provider at which learners are recorded for funding at the start of the year should record on their own ILR or school census returns the qualifications studied by its learners at any other provider through collaborative arrangements.
105. Providers must not record for funding purposes on either their ILR return or their school census learners who are already studying qualifications with other providers who are recording the learners for funding purposes.

## Curriculum entitlement

### Funding entitlement and enrichment

106. 16-18 learners on full time programmes are eligible for 16-18 entitlement (or enrichment) funding, which supports the delivery of guidance, tutorials and study skills which are not eligible for additional funding. Functional skills are funded outside the entitlement and are eligible for additional funding. For the purposes of recording the 16-18 funding entitlement, full time is as defined in paragraphs 116-118.
107. Entitlement may only be claimed for full time learners and may be claimed once for any 12 month period. The EFA has agreed the following guidance for providers with learners whose programme is full time across two funding years but is not full time in any one funding year. For these learners, providers may claim the entitlement in the first funding year rather than the second if either of the following conditions are met:
- the majority of their programme is being delivered in the first year, or
  - they are enrolled on their full time programmes before 1 May.

## Diplomas

108. The following principles will apply to post-16 Diploma funding.
- The standard EFA funding methodology is used, for simplification and standardisation.
  - Funding will be allocated to and flow through the learner's home provider.
  - Currently Diploma success rates are calculated at qualification aim level rather than based on the full Diploma.
  - Funding for personal learning, thinking skills and collaboration are attached to the Diploma aim so that these are only paid where the full Diploma is taken.
  - Funding will be calculated based on the individual component learning aims, up to the funding cap.

## Fees charged to learners

109. The requirement to remit tuition fees for 16- to 18- year-olds applies to provision funded by the EFA and this is confirmed in paragraph 20.

## Foundation learning

110. Foundation learning covers education provision at entry levels 1, 2 and 3 and at level 1, and the learning aims at these levels. Foundation learning is delivered in personalised foundation learning programmes and is specifically designed to promote individual progression as well as helping learners to achieve formal qualifications at entry level and level 1.

111. Learners are supported by a 'wrap-around' of information, advice and guidance, effective initial assessment, comprehensive ongoing review, and provider collaboration.

112. Foundation learning, which does not have a prescribed size, includes the following elements, from which providers construct personalised programmes according to learner need:

- a. qualifications such as GCSE, functional skills, personal and social development and vocational;
- b. weekly aim;
- c. non-accredited provision;
- d. work placement in foundation learning.

113. Personalised learning programmes are intended to provide progression to:

- a. further learning,
- b. employment with training,
- c. supported employment,
- d. living more independently.

114. Foundation Learning is funded in accordance with all the standard funding rates and regulations and for Foundation learning delivery there are no specific additional requirements or arrangements.

## Free-Standing Mathematics Qualifications

115. There are a number of Free-Standing Mathematics Qualifications (FSMQs) at foundation, intermediate and advanced levels. Each is a national qualification in its own right. These awards do not relate to the functional skill of maths, and are funded in addition to the entitlement funding for 16-18 year old learners.

## Full time

116. A full time learner is one enrolled on a programme of at least 450 glh in any 12-month period. This includes a learner who withdraws after meeting the start criteria.

117. Funding calculations are now made on an annual basis. The 450 glh would include the glh associated within the 16-to-18 entitlement (assumed to be 30 glh per year).

118. For some purposes other than funding calculations, it is important to measure whether a learner is in full time education and training over a period other than a

year. In this context, learners engaged in education or training of more than 16 glh a week are also considered full time.

## Functional skills

119. Funding for functional skills qualifications is at unlisted rates. Functional skills now exist at entry levels 1, 2 and 3 and level 1 and 2. Qualifications that demonstrate personal progress may be more appropriate for learners with learning difficulties and/or disabilities who are not ready to access functional skills qualifications and are working towards independent living and their achievements are at the lower end of entry level 1.
120. It is not intended that full time learners who study basic skills as an alternative to functional skills should be counted as basic skills learners. This would apply even if the basic skills alternative were 80 glh or more. Therefore, the disadvantage uplift for basic skills learners should not apply in these situations.

## Wider key skills

121. There are three wider key skill qualifications at levels 1 to 4: Working with Others, Improving Own Learning and Performance, and Problem-solving which are separately fundable as unlisted aims.
122. Funding may be recorded for the wider key skills in addition to the entitlement funding, provided that additional glh are delivered at the appropriate level. However, the wider key skill units could also be delivered as enrichment activity, in which case no additional funding should be recorded.

## General qualifications

### A levels (Advanced Certificates in Education)

123. Curriculum changes, but not funding changes to A levels were introduced from September 2008. The introduction of stretch and challenge at A2 is to prepare learners better for higher education and employment. An A\* grade was introduced in 2010 to reward the most exceptional candidates.
124. The success rate data now collected will be calculated according to when the qualifications are due to end (planned end date), regardless of whether they are cashed in (claimed).

### Extended projects

125. The Extended Project, introduced in 2009, is available as a stand-alone qualification. It is a compulsory part of the Diploma programme but can also be taken as an optional part of an A level study programme, and so will provide a link between A levels and Advanced Diplomas.

### Applied general certificates of secondary education

126. Applied GCSEs are considered equivalent to two GCSEs in terms of size and demand, and this is reflected in the listed SLN funding value for these qualifications.

### GCSE (short-learning aim) qualifications

127. They are intended to take half the glh of a conventional GCSE qualification. GCSE (short learning aim) qualifications are, therefore, individually listed with an SLN value that reflects the size of these qualifications.

## Guided learning hours

128. Guided learning hours (glh) are defined as all times when a member of staff is present to give specific guidance towards the learning aim being studied on a programme. This definition includes lectures, tutorials and supervised study in, for example, open learning centres and learning workshops. It also includes time spent by staff assessing a learner's achievements, for example in the assessment of competence for National Vocational Qualifications (NVQs). It does not include time spent by staff in the day-to-day marking of assignments or homework where the learner is not present. It does not include hours where supervision or assistance is of a general nature and is not specific to the study of the learners.

## Higher-level programmes for learners

### Prescribed HE

129. The EFA will support qualifications which enable learners on level 3 programmes, where appropriate, to study at a higher level than level 3.
130. Section 105 of the Education Act 2005 gives governing bodies of maintained schools in England (and Wales) the power to arrange the provision of Higher Education (HE) for pupils in the school.
131. Providers can deliver limited amounts of prescribed HE as part of a full time level 3 programme for an individual 16-to 18-year-old learner, and the EFA will fund that HE learning aim, subject to the following conditions.
- a. The HE provision must fall within either paragraph 1(g) or 1(h) of Schedule 6 to the Education Reform Act 1988. This provision includes vocational courses at levels 4 and 5, modules of first degrees and components of Higher National Diplomas (HNDs) (but not the full award of degrees or HNDs).
  - b. The HE provision must fall within either paragraph 1(g) or 1(h) of Schedule 6 to the Education Reform Act 1988. This provision includes vocational courses at levels 4 and 5, modules of first degrees and components of Higher National Diplomas (HNDs) (but not the full award of degrees or HNDs).
  - c. The HE provision must be a small part of the provision, typically instead of an AS-level and the young person must be enrolled on a full level 3 programme including the HE provision.
  - d. Providers must substitute higher-level and more stretching provision in place of courses and qualifications that learners might otherwise pursue. Providers must not deliver HE as additionality to 16- to 18-year-old learners' programmes. For example, a learner who would normally take five AS- levels in an academic year could take four AS levels and an HE course, but not five AS levels and an HE course.
  - e. The provision must involve an appropriate amount of teaching or appropriate distance learning; it would not be acceptable for HE provision to be undertaken purely as private study.
  - f. Where distance or online learning is involved, there must be no charge to the pupil for course materials, supporting books, access to IT and similar activities or matters.
  - g. An HE course will not be funded in addition to the cap of 1.56 SLN.

- h. One way in which this ability to offer HE qualifications might be used is by learners doing an Open University (OU) module as part of the Young Applicants in Schools and Colleges Scheme (YASS) of the OU, but other courses at higher levels may be involved.
- i. OU modules will be funded at the same rate as an AS/A2 qualification: a 60 point course will attract a full AS/A2 funding rate, while 30 point and 10 point courses will be funded at one-half and one-sixth of the AS/A2 funding rate respectively.
- j. School sixth forms will be required to record individual qualifications data as part of the school census. Nine codes have been set up in the Qualification Accreditation Number (QAN) web services to allow schools to record YASS qualifications.
- k. Other than in these circumstances, the EFA will not fund HE in schools, or anything which is funded by the Higher Education Funding Council for England (HEFCE).

### Non-prescribed HE

132. The EFA has the power under Section 5(d) of the Learning and Skills Act 2000 to fund courses falling within paragraph 1(g) or (h) of Schedule 6 to the Education Reform Act 1988. Approved qualifications under Sections 96 of the Learning and Skills Act 2000 at level 4 and above will be eligible for funding.
133. Non-prescribed learning aims are those higher-level vocational learning aims that are generally professional learning aims leading to accreditation by a professional body and do not include, for example, part-time certificates in HE. Changes in the volume and type of this provision should be considered by the funding body in the context of local needs analyses.

### Individualised learner record (ILR)

134. The individualised learner record (ILR) is used by providers (other than those recorded on the school census) to record all relevant funding ILR data about EFA-funded learners. More information can be found in the Information Authority's (IA) ILR guidance Individualised Learner Record Specification for 2012/13, available at on the [IA website](#).<sup>7</sup>

### Information, advice and guidance

135. All learners regardless of level, age or programme should be able to access information, advice and guidance (IAG) services to enable them to consider further learning opportunities, progression and career choices.
136. Where IAG is embedded in learning programmes and in the curriculum for full time 16- to 18-year-olds suitable arrangements should be made for teaching and learning-support staff to be aware of and to access appropriate information and be able to direct learners to specialist advisers and resources.

### In learning

137. A learner who has commenced an agreed course of learning and has not yet finished that course of learning is said to be in learning. A learner continues to be counted as

---

<sup>7</sup> [www.theia.org.uk/ilr/ilrdocuments](http://www.theia.org.uk/ilr/ilrdocuments)

being in learning even if that learner is not attracting funding because they have drawn down or been paid all the on-programme money attracted by the programme.

## International Baccalaureate

138. For funding purposes the International Baccalaureate (IB) should be regarded as equivalent to four GCE A- levels plus one AS-level studied over two years. Therefore the funding rate for the full qualification is 1,350 SLN glh (excluding entitlement).
139. The International Baccalaureate Career Certificate (IBCC) is a composite qualification comprised of 3 components. To ensure funding paid reflects a learner's actual programme, each component learning aim is funded separately up to the funding cap.

## LARA

140. As part of the Data Service data collection systems, the Learning Aim Reference Application (LARA) is the repository for detailed information on learning aims including funding rates. If you have any queries or questions on the LARA, email the [Data Service](#).<sup>8</sup>

## Learner support

141. The EFA gives financial support for particular groups of young learners. This includes learner (also known as student) support funds that support the learner to stay in learning and further information on this funding is available on the [DfE website](#).<sup>9</sup>

## Learning aim

142. A learning aim is defined as a single element of learning that attracts funding at either a listed SLN value or has an unlisted SLN value that is based on the planned glh.

## Learning programme

143. A learning programme comprises all of a learner's activities that lead to a set of outcomes agreed with the learner as part of their IAG process. A learning programme may be composed of one or more learning aims and may span more than one funding year. A learning programme will generally be centred around learning aims at a single level, with a minority of, if any, learning aims at a different level being used to support the wider needs of the learner (for example, a GCSE retake in Mathematics would be appropriate for a learner studying non-mathematical A levels). AS and A2 levels in the same subject taken in subsequent years are considered to constitute a single learning programme, whereas progression from GCSEs to A levels would usually constitute two separate learning programmes.

## Minimum learning aim duration

144. The minimum learning aim duration for 16-to 18-year old learners is 9 glh.

## National Vocational Qualifications (NVQs)

145. The funding rates and the application of the funding formula for NVQs are set out in the companion document Funding Rates and Formula Annex A.

---

<sup>8</sup> [servicedesk@thedata-service.org.uk](mailto:servicedesk@thedata-service.org.uk)

<sup>9</sup> [www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport](http://www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport)

146. The EFA funding model contains three modes of NVQs. That is, those NVQs delivered:
- a. entirely on the provider's premises,
  - b. in the workplace where underpinning knowledge and understanding as well as substantial skills development are delivered by the provider,
  - c. in the workplace where either underpinning knowledge and assessment or substantial skills development are delivered by the provider.
147. The maximum funding should be recorded only where a learner is following a full time qualification that is delivered in 450 glh or more.
148. In determining the appropriate SLN value to be recorded for an individually listed NVQ, providers should consider the following.
- a. Which of the three components are delivered by the provider?
  - b. How many glh are delivered? Where the provider delivers all aspects of the NVQ (initial advice, guidance and needs analysis, support and assessment, underpinning knowledge and understanding and substantial skills development) but in fewer than 450 glh, the SLN value must be recorded as unlisted provision in accordance with the actual glh received by the learner.
  - c. What is the length of time over which the programme is delivered?
  - d. Is there an overlap in content with any other NVQ or other qualification that is part of the learner's programme of study?
  - e. For provision delivered entirely in the workplace, colleges and providers must be able to demonstrate the delivery of actual glh as distinct from work-related supervision.
  - f. For partnership provision, the provider must be able to demonstrate effective control.
  - g. Where a provider is introducing an NVQ for the first time, it should seek the advice of the awarding body and/or other colleges and providers with experience of offering the qualification, in order to establish the appropriate delivery style.
149. The following notes apply to all listed and unlisted NVQs.
- a. Learners are usually expected to undertake only one full time NVQ programme in a 12 month period, although providers may apply some individual judgement where this rule would otherwise be a barrier to individual learner progression. Providers must consult their funding body before enrolling whole cohorts of learners on multiple NVQs.
  - b. Where a learning programme consists of two or more NVQs in the same subject area, providers should consider any overlap in content when determining the funding recorded for the second and any subsequent NVQ. The funding should be reduced using ILR field A51a as described in paragraphs 172 to 174 and below.
  - c. Where support and assessment are provided by a provider, for example to employees, the provision will be eligible for funding if a significant level of support is provided for the programme as a whole, together with assessment. If the provider only provides assessment, this is ineligible for EFA funding.



- d. The EFA expects all learners enrolled on NVQ programmes to be registered with the relevant awarding body within a reasonable time of starting the learning aim. The EFA recognises that providers may want learners to meet the EFA funding start criteria before incurring the costs associated with this process as these costs are recognised within the EFA funding rates.
150. The regulatory arrangements for the QCF were published in 2008. Alongside the regulatory arrangements, Ofqual have also published a document setting out *Operating rules for using the term 'NVQ' in a QCF qualification title*. In the QCF a qualification type is defined through a specific and additional set of regulatory requirements that will apply over and above the common requirements for all recognised organisations and accredited qualifications. Where qualification types are established in the QCF, additional requirements will be published separately by Ofqual.

## Partnership provision

151. Partnership provision is learning provision that is delivered with the involvement of a third party and all provider using third parties to deliver any of their funded provision must follow the guidance in Section 7: Sub-contracting provision controls guidance and the EFA expect written contracts that meet this guidance to be in place before any learners are enrolled and are recorded on either ILR data or school census returns.

## Part-time learner

152. A part-time learner is engaged in a programme that is fewer than 450 glh in any 12-month period.

## Pre-entry advice and guidance

153. The EFA considers it essential that all learners have access to clear and full information on their programmes before enrolment.
154. The funding for each learner's programme is still based on the principle that learners are provided with pre-entry advice and guidance. Such advice and guidance are crucial if the learning programme is to match a learner's aspirations, expectations and abilities. Providers should not record separate funding for a learning aim that represents provision typically forming part of pre-entry advice and guidance or induction activities.
155. The successful outcome of pre-entry advice and guidance is a learning agreement signed on behalf of the provider and by the learner. While recognising that different types of learners may require different approaches to advice and guidance, the learning agreement should provide confirmation that the following broad areas have been covered:
- a. implications of the choice of learning programme,
  - b. entry requirements for each learning aim within the learning programme,
  - c. an assessment of the suitability of the learning programme for the individual,
  - d. support available for the learner, and which, if any, support is needed, and
  - e. a brief description of the nature of the procedures involved in the process of advice and guidance.

156. The additional cost of specialised assessments of learners with learning difficulties and/or disabilities is met through ALS. Further information on ALS is contained in the guidance that accompanies the ALS Costs Form.

## Prince's Trust Team Programme

### Unemployed learners

157. It is expected that the programme will last for 12 weeks and 420 glh. Where this is the case, 420 should be entered in field Guided Learning Hours of the ILR to generate the correct SLN values. Providers should refer to the Information Authority's *Specification of the Individualised Learner Record for 2012/13*, for further guidance regarding the completion of the fields; Guided Learner Hours and Outcome.
158. The qualification is subject to the funding cap which determines the maximum funding per learner per teaching year rule but should not require a manual adjustment as the qualification is below the annual limit.
159. The provider retention rate (management fee) should be no more than a maximum of 15 per cent of the total EFA funding. Any figure above 15 per cent will require the EFA territorial team to seek additional approval from the EFA National Office in collaboration with the Prince's Trust. For a standard team programme (based on a target mix of 10 unemployed and 2 employed learners), the EFA expects the Prince's Trust to receive £1,400.

### Employed learners

160. It is expected that the programme will last for 20 days and 90 glh. Where this is the case, 90 should be entered in field Guided Learning Hours of the ILR to generate the correct SLN values.

## Prior learning, exemption and achievement

161. Providers should not record any funding for any part of a learning aim that is not delivered to a learner, in order to reflect the reduced cost to the provider and to ensure that the same learning is not funded twice. All providers who return information in the ILR are expected to reduce the amount of funding earned to reflect this guidance as set out in paragraphs 169 to 171.
162. The most common reasons for reducing the proportion of funding earned are when a learner has prior learning or achievement.
- Exemption: When a learner has certificated achievement, exemption can be claimed for previously achieved parts of a learning aim.
  - Credit transfer (for QCF learning aims): For achievements in the QCF, credits can be transferred from a previous episode of learning.
  - Recognition of prior learning (RPL): For individuals with learning or achievement that has not been certificated, providers can assess and validate these through an RPL process.
163. When exemption or credit transfer is used toward the partial or full completion of a qualification, the EFA would not expect to fund the proportion of the learning aim for which no learning (and therefore no funding) is required.
164. RPL is a method of assessment leading to the award of a qualification, or in the context of the QCF, the award of credit. RPL considers whether a learner can demonstrate that they can meet the assessment requirements for a unit or

qualification through knowledge, understanding or skills they already possess and do not need to develop through formal learning.

165. RPL provides an alternative route to formal learning for learners to achieve a learning aim or credit. RPL is an alternative route to recognition and not a shortcut. Therefore RPL must be an integrated part of a quality-assured assessment process.
166. It would be unusual to gain full certification by RPL, and it is expected that some learning would be required.
167. The funding earned should also be reduced when:
  - a. a learning aim does not require the full level of glh, due to curriculum overlap,
  - b. learners restart a learning aim after a break in learning, or
  - c. learners transfer from another provider or contract.
168. The proportion of funding earned should not be reduced for learners who simply progress through learning aims quicker than others or for learners who simply do not attend part of their programme.

### **Proportion of funding remaining (ILR field)**

169. The ILR field 'proportion of funding remaining' is used to record the percentage of a learning aim's full funding that is needed. It is not expected that an adjustment will be necessary for most EFA funded learning aims.
170. The proportion of funding remaining can be calculated in three ways. As the EFA funding methodology and rates are based on guided learning hours (glh), the most accurate way of calculating the value for the field will be based on the glh required.
  - a. For example, if a learner enrolls on a learning aim that has an SLN glh of 720 on LARA, but has prior learning that means that the provider only has to deliver 540 glh-worth of learning. The proportion of funding remaining should be completed as 75 ( $540/720*100$ ).
171. There are other learning aims for which it is not possible to use glh (for example, when learning aims are unlisted, and therefore do not have an SLN glh value on LARA), and in these cases it is acceptable to calculate the value using other measures.
  - a. Credit value: A learner enrolls on a learning aim with a required credit value of 120, but only needs 60 credits to achieve (having 60 credits through credit transfer). The proportion of funding remaining should be completed as 50 ( $60/120*100$ ).
  - b. Number of units remaining: A learner enrolls on a learning aim with 16 units, but only requires glh for 12 (either due to exemption or RPL for 4 units). The proportion of funding remaining should be completed as 75 ( $12/16*100$ ).

### **Qualifications and Credit Framework (QCF)**

172. The Qualifications and Credit Framework (QCF) is a unit-based qualifications and credit framework based on a system of credit accumulation and transfer.

### **Re-sits and re-takes**

173. Many learning programmes are designed to enable learners to re-sit examinations and assessments but these are only eligible for funding in proportion to the learning activity given by the provider in accordance with the guidance below.

174. Where a learner fails to complete a learning aim in the expected time span and stays on for additional time to do so no further funding should be recorded.
175. Where a learner re-takes part or all of a learning aim this will be treated as unlisted provision. The level of funding will be determined by the number of glh delivered on the re-take programme.
176. The EFA will not fund pupils who are not attending lessons but merely re-sitting the exam, even if the pupil has attended revision classes. Re-sits are to be identified within the school census as having identical values for the learning aim start date and learning aim end date and a completion status of zero. No funding will be generated nor will the qualification be included within the success rate calculation.
177. Where a learner re-takes part of or all of a learning aim delivered by distance learning, the provider should complete the data collection form and agree a rate with its funding body. The agreed rate should reflect the level of activity needed to complete the re-take programme.

## **School census**

178. The DfE collection of data from schools and Academies is the school census. This is the equivalent of ILR data collected by the Information Authority (IA) from non-school providers funded by the EFA.

## **School leaving date**

179. The school leaving date is the last Friday in June in the school teaching year in which a young person reaches the age of 16.

## **(School) year 11**

180. Year 11 is the school year in which the majority of pupils have reached 16 years of age by the end of the teaching year.

## **Start date**

181. Start dates are used to determine when and whether funding should be recorded for any learner. It is determined by the date on which the learner's learning programme begins. Further details of how start dates relate to funding and the qualifying periods of attendance to count as a funding start are given in Annex B.

## **Unlisted learning aims**

182. This term refers to eligible learning aims or programmes that do not have a listed funding value.
183. Providers should ensure that the glh for unlisted provision are accurately assessed in order to record funding appropriately. All unlisted provision should be reviewed to ensure that the planned glh agree with those actually delivered. Where they differ significantly, an adjustment should be made.
184. Where glh have been incorrectly calculated, the provider would be expected to revise their ILR return to show the correct glh value where the variance in glh between actual and planned is material to their ILR funding out-turn total. Provider systems should be in place to ensure accurate recording of actual glh. Where actual glh differs significantly, an adjustment should be made for the qualification. 'Significantly' may be defined as "greater than or equal to 20% variance" but subject to meeting the requirements in the paragraph below.

185. Any tolerance of 20% variations between planned and actual attendance relates to individual learner attendance and cannot be reasonably interpreted that unlisted provision can simply be over-stated by a margin of 20 per cent in the ILR. Providers must be able to reasonably evidence to their funding body and any funding auditor that the planned guided learning hours (glh) were available for all learners on that programme/class.
186. Providers should only record each individual learner's glh once and if learners are following two different learning aims at the same time this should be reflected in the recorded glh. For providers delivering a mix of overlapping programmes that have listed and unlisted funding values they should follow this guidance that meets the funding principles set out in paragraph 13 in recording their funding values. The following example may help explain this methodology.

#### Example: Overlapping GCSE and functional skill

187. Where providers deliver GCSE and functional skills in the same subject area by using the same class to deliver substantial parts of each learning aim, the funding record for the unlisted programme should be calculated as follows.
- Calculate total glh content for learner doing both programmes - say 120 glh.
  - Funding for listed GCSE is 100 glh (as 100 glh is the funded value to provider the full 100 glh must be deducted to meet the funding principle in paragraph 13.
  - Funding (as the unlisted planned glh) to be recorded for the functional skill is 20 glh.

### Work experience

188. Work experience refers to non-employed placements with employers, which are intended to help learners improve their skills, gain experience and become accustomed to a working regime and environment.

## 6: Evidence of learner existence and eligibility

### Introduction

189. This section is for all funded providers and for all funded learners. This is the core EFA funding compliance or funding audit guidance on evidencing existence and eligibility of all learners on EFA funded provision.

### Evidence of learner existence and eligibility

190. The EFA recognises that different procedures and emphasis will be appropriate to different types of learner, but evidence will be required of the process used for the enrolment and record of teaching activity for each learner. It is for each provider to decide what procedures to carry out, but any provider that chooses not to carry out any procedures at all will put their programme funding at risk.

### Compliance evidence for learner eligibility

191. Providers should not claim funding for learners who are not members of the 'home' population of England, irrespective of their mode of attendance.

192. The EFA does not generally fund learners who are not UK or EEA nationals living in England ('from overseas'), unless they meet the residency requirements specified in Section 3.
193. Providers are required to scrutinise applications for study by learners to ensure that they are eligible for EFA funding under Section 3 and to support the learner's case for consideration as ordinarily resident in England. Good practice is for providers to record (rather than photocopy) documentation to prove eligibility, including any relevant documentary evidence to support any individual learner eligibility granted for learners not meeting the normal three-year residency requirement. Where documentation is recorded as having been seen, providers need to be fully aware of the implications of the documents they are approving. In particular, providers are advised that the EFA **does not require or expect passports to be photocopied by providers**, although passport numbers or references may be recorded by providers where necessary.
194. Foreign nationals will have Home Office documentation that outlines their status, for example refugee status, humanitarian protection, discretionary leave or exceptional leave to enter or remain (ELE/ELR) in the UK. Asylum seekers will be able to produce an application registration card (ARC) which is issued on or close to the date of their asylum claim. The date of issue will be recorded on the ARC.
195. Provider management should check enrolment forms to see if evidence has been gathered on the residency status and eligibility of the learner.
196. Learners from overseas (outside the EU and EEA) whose main reason for residence in England has been attendance at a fee-paying school will not be considered eligible for funding. Non-EEA or EU learners who are granted residency in the UK (usually as Home Office immigration permission Tier 4 students) as overseas full fee-paying students (or learners) at other institutions are also ineligible for EFA funding.
197. Learners of compulsory school age are usually eligible for EFA funding only in exceptional circumstances and where written approval has been provided by the EFA. Individual EFA territorial office approval is no longer needed for learners following full level 3 programmes who are already fully qualified at level 2. Providers should have evidence for other learners of compulsory school age showing that the EFA has agreed to fund them on an individual basis.
198. Providers should not claim EFA funding for provision delivered outside England. This restriction applies to provision delivered in Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man as well as in other countries.

## Funding implications

199. Where EFA funding has been claimed for ineligible learners and/or programmes, the provider would be expected to revise their data return to record such learners listed above as not eligible for EFA funding. This includes among others:
  - a. learners under 16 for which the provider has no evidence that the EFA has agreed to recognise them as exceptional cases,
  - b. learners attending provision delivered outside England,
  - c. overseas learners.

## Records of learner existence and eligibility

### Learning agreement

200. The EFA considers it essential that learners have access to clear and full information on the costs of their programme before enrolment and that they are provided with pre-entry advice and guidance. The successful outcome of pre-entry advice and guidance is a learning agreement signed by the learner and the provider. While recognising that different types of learner may require different approaches to advice and guidance, the learning agreement should provide confirmation that the following broad areas have been covered:
- a. the choice of learning programme,
  - b. entry requirements for each learning aim within the learning programme,
  - c. an assessment of the suitability of the learning programme,
  - d. support for the learner, and
  - e. the nature of the procedures involved in the process of advice and guidance.
201. A provider should retain a learning agreement signed on behalf of the provider and by the learner as compliance evidence to support its funding claim. While all learners funded by the EFA should have a learning agreement, the detail should be proportionate to the length of the learning programme. Learning agreements may also be combined with enrolment forms as complementary documents to prevent any unnecessary document duplication. The learning agreement should include the following key details:
- a. the learner's name and address,
  - b. evidence, where appropriate, that the learner is eligible to receive EFA funding,
  - c. the learning programme and expected learner outcomes, including start and end dates for all learning aims,
  - d. the number of guided learning hours planned in each year of the programme for each learning aim (this includes both listed and unlisted provision),
  - e. the average weekly guided learning hours planned for the programme and how long in which it is planned to complete the programme,
  - f. a summary of any additional support to be provided to the learner,
  - g. where relevant, a statement that the learner falls within the EFA's tuition fee remission policy and that the provider has agreed to remit 100 per cent of the tuition fee that would otherwise be charged to the learner,
  - h. where provision for the learner is delivered by a 'partner-provider', the name of the partner organisation, and
  - i. evidence of the assessment and guidance process by which the learning agreement was reached.
202. Providers should be able to evidence that they are delivering good-quality information, advice and guidance (IAG) to their learners through good retention and achievement levels. This should provide supporting evidence that any basic skills and additional support needs have been properly identified and have led to good progression opportunities for the learners. For learners receiving IAG directly from partner-providers, EFA providers should make sure that IAG of an equivalent quality

is being delivered to these learners. Providers are also reminded that they should not seek to divide programmes artificially in order to increase the amount of funding being claimed.

### Enrolment form

203. Each learner should have completed and signed an enrolment form relating to the learning programme for which EFA funding is being claimed (this may for some providers or learners be a combined document with the learning agreement). The EFA is aware that some providers have invested in electronic signature recording systems and these are acceptable where the learner has made the electronic signature at the funded provider premises in the presence of a member of staff of the provider. In such cases the learners must be given either an electronic or paper copy of the document they have signed on the provider's premises. The enrolment form for funding eligibility purposes should indicate as a minimum:
- a. the learner's name, address (including the postcode and time spent at that address), age and residency status, which will indicate whether the learner is a home or overseas learner. For learners not resident in the United Kingdom for the three years prior to the commencement of their programme, providers must be able to evidence alternative learner eligibility as set out in paragraphs 39-42;
  - b. all learners must have seen the privacy notice (formerly the data protection statement) included in the ILR Specification Document Appendix F during their enrolment process.
204. The provider may wish to use the enrolment form to collect other information as necessary for their learner record and monitoring purposes.
205. Providers should pay particular attention to ensuring that there is appropriate evidence of assessment and guidance for short courses. Providers may wish to consider including information on their assessment and guidance procedures in their prospectus, so that learners can be made aware of the matters to be considered when they enrol at the provider.
206. All providers must make sure that they and all of their partner-providers fully understand the rules on learner eligibility. Enrolment forms completed by partner-providers must fully address the issue of evidencing learner eligibility. This is particularly important if the partner-providers are usually only recording that they have seen any necessary supporting documentary evidence, rather than copying the documentation with the enrolment form to the provider. Providers should ensure that their partner-providers make available, on a sample basis at least, either clear records or actual copies of the documentation being used to support the eligibility of their learners.
207. The enrolment form and the learning agreement may be combined to form one document, which should contain all the relevant information.

### Learner attendance

208. There should be evidence that individual learners were undertaking the specified learning programme during the learning period for which funding is being claimed.
209. For most learners this will take the form of registers of attendance. Experience has shown these to be key legal records in supporting the accuracy of data returns. Regular management review of registers may, therefore, be of benefit to providers in



ensuring the accuracy of ILR returns and reducing the risk of making ineligible funding returns or claims to the funding body.

## Register

210. All providers should consider the benefits of a good register system to help them to monitor learner attendance and progress. This will also support materially accurate data returns and funding claims. Register systems need to be proportionate in delivering benefits to providers that offset the costs involved in running these systems and appropriate to the mode of delivery. The EFA offers no advice or preference on types of systems, which may be either paper-based or electronic, or a mixture of such systems.
211. It is very important that all providers ensure that any partner-providers can evidence claimed learner contact time with tutors to avoid any eligibility issues over their partner-provider provision.
212. The following advice on registers is compulsory and accounting officers may find this advice helpful in considering appropriate controls over their own provision.
- a. Each specific course should have a register, including the title of the course, the course code, the qualification aim and the intended start and end date, the day, time and duration of each session, and the number of guided learning hours to be delivered.
  - b. Each register should include the name of the learner, the learner reference number and the name of the tutor. It should be completed at the start of each session with the relevant date and should indicate attendance, absence or lateness. In the case of authorised absence, appropriate evidence of prior approval should be available.
  - c. The register should be signed or initialled by the tutor at each session.
  - d. It should also include the location at which the provision is being delivered.
  - e. Consideration should be given to sample checks on learner attendance in classes. Checks are especially important in the case of any partner-provider assisted delivery or provision.

## Ceasing to attend, withdrawal from course and learning agreement amendment forms

213. Where a learner withdraws from their programme or course, transfers to another programme or changes one of their learning aims or their mode of study, this should be indicated on an appropriate form used by the provider. This should be signed by the tutor, and used to ensure that the information on the data return is correct and that the learning agreement is amended correctly. Providers should consider whether learners should sign as well to confirm their consent to the change in their programme. Further advice on withdrawals is given in Annex B.

## Achievement

214. The current funding and data arrangements continue the historical process of recording actual achievement in data returns (but in the funding model this is then used to calculate the Success Factor part of the provider factor). The advice on evidence of achievement is therefore still applicable, for both funding and inspection purposes. Evidence that a learner has achieved their learning goal should be available. This could be:

- a. evidence of entry to and completion of a relevant programme,
  - b. an official results list or slip, or a certificate issued by the awarding body,
  - c. for provider-accredited programmes, a record of achievement, provider certification and/or progress reports indicating achievement of the learner's learning programme.
215. Achievement should be accurately recorded and substantiated by appropriate compliance evidence.
216. Providers are required to have evidence that supports records or claims for achievement of non-accredited learning aims to be as robust as that for nationally recognised and approved qualifications on the National Qualifications Framework.
217. Where achievement is to be recorded or claimed, providers should retain learning outcomes' records with the associated initial assessment records or learning agreements, showing that the learner has met the agreed learning aims and achieved the appropriate objective.
218. A learning aim may be recorded as partially achieved only where the learner has achieved at least one of the credits or modules towards the final award.
219. Evidence should exist to show that records or claims for achievement were supported by the attainment of approved qualifications for the first time at the provider by learners.
220. Achievements may not be recorded or claimed where the learner is merely seeking an improved grade and the provider has previously claimed achievement(s) for the learner.
221. Providers are reminded that achievement may not be recorded or claimed against any EFA funding methodology for any learner where there is no corresponding claim for on-programme funding.

## Fee remission

### Compliance evidence

222. Providers should ensure that the age of learners is correctly recorded as that is all the evidence that is needed for learners aged under 19 at the start of the year.
223. For learners with learning difficulties or disabilities aged 19-24 who are funded using the Skills Funding Agency methodology, providers also need to evidence any fee remission recorded in their ILR as set out in the document [Skills Funding Agency Funding Rules 2012/13](#).<sup>10</sup>

## Documentation: all providers and partner-providers

224. In all circumstances, the provider must retain original documents including, for example, attendance records, enrolment records and learning agreements. Under no circumstances must these be retained by partner-providers or at partner-providers' premises. It is normally expected that the provider itself will be registered with the awarding body for the qualification being studied and learners must be registered with the awarding body in order to be eligible for EFA funding. In considering how long these documents should be retained, all providers are reminded that documentation that underpins funding claims or returns needs to be treated as

---

<sup>10</sup> [skillsfundingagency.bis.gov.uk/providers/fundingrules/](http://skillsfundingagency.bis.gov.uk/providers/fundingrules/)

financial and legal records. Methods and decisions relating to retention should be consistent with the provider's usual rules and methods for financial record retention.

## **Funding implications: all providers**

225. Where data or evidence is identified as being incorrectly recorded in the data return, the provider is expected to revise their data return and funding claim accordingly.

# **7: Sub-contracting provision controls guidance**

## **Introduction**

226. This section sets out the EFA compliance and control requirements and advice for all directly funded providers that use third parties to deliver provision that is funded by the EFA. Providers with no third party delivery arrangements will not need to use this section.

227. Directly funded providers include all providers who are either directly funded by the EFA or are directly funded by local authority (LA) using EFA funding. This includes all maintained schools, Academies, free schools, sixth form and FE colleges and independent providers. The EFA would not expect this guidance to be needed where directly funded providers agree to assist each other in their individual delivery arrangements to learners.

228. Third party delivery arrangements, often referred to as either sub-contracted or franchised provision, have created substantial financial and reputation issues for providers in the past. Problems have been particularly significant where the subcontracted delivery has taken place at a distance from the directly funded provider, in a different part of the country. In some cases providers have had to make substantial repayments for activity ruled ineligible after audit investigation.

229. Given the high risks of irregularity in distance sub-contracting, the EFA will not normally fund 16-19 provision subcontracted by providers outside their normal recruitment areas. 'Normal recruitment area' means the area from which most 16-19 students travel to learn at the provider and this is explained in paragraphs 27 to 30.

230. Local subcontracting (within normal recruitment areas) may form part of the collaborative or partnership arrangements developed by providers and local authorities to meet the needs of young people in their areas. To protect public funds directly funded providers must be fully in control of such arrangements and fully understand the risks.

231. This guidance is issued for the benefit of providers who engage in sub-contracting, franchising and partnership arrangements to deliver EFA funded provision to ensure they put in place sufficient and reasonable control arrangements to assure the safety of any public funding transferred by them to other providers (especially where funds are transferring from the public to the private sector). The EFA primary concern is that all sub-contracted delivery is properly monitored and controlled by all directly funded providers who must not make artificial distinctions or distortions in describing delivery arrangements so as to avoid either:

- a. effective controls over third party delivery of provision,
- b. prior disclosure of these arrangements to the EFA, particularly where the delivery is significant and/or material to the providers funding allocation.

232. This advice is therefore relevant to any delivery that a directly funded provider contracts with any other organisation that does not receive their funding payments directly from either LAs or the EFA itself. These are referred to as 'partner-providers' in this guidance.

## **Classification of partner-provider delivery arrangements**

233. To avoid bureaucracy the EFA is not formally classifying delivery arrangements in a series of categories or asking providers to do so. Providers are expected to be capable of determining for themselves where delivery arrangements make use of partner-providers that require the application of this guidance. If, however, providers are unsure how to match their own individual delivery arrangements to this booklet they must consult the EFA for assistance in any necessary interpretation of the advice and guidance who will usually start from the funding principles set out in paragraphs 12 and 13.

234. In discussing partner-provider arrangements with their funding body, providers must declare the level of funding they are retaining for all significant partner-provider provision taking into account that the EFA requires the majority of its funding to be used for the benefit of the learner on their learning programme. The EFA requires the amount of funding retained by providers to be proportionate to the costs they incur in the delivery of the provision and to take account of the actual costs incurred by their partner-providers in delivering any programmes to learners.

235. It is a requirement that providers make a clear record of all significant partner-providers with whom they are or will be working to their funding body. A standard form for recording information is available with this document from the EFA website. Providers whose partnership delivery arrangements account for more than 10% of their 16-19 programme funding must however return a completed copy of this form to their relevant EFA territory office.

## **Direct delivery**

236. Direct delivery arrangements are where providers use their own staff (or staff from a staffing agency used across main provider sites that has been subject to proper tendering procedures) in their own buildings. This includes buildings that form part of the provider's own infrastructure that may be rented or leased, usually on a long-term basis. This would usually include community halls and meeting rooms for community-based provision using the provider's own staff.

## **Partner-provider delivery**

237. Delivery arrangements that require providers to be able to demonstrate the controls set out in the following paragraphs for partnership delivery can be characterised in the following ways.

- a. Provision delivered away from the main provider sites by staff belonging to organisations (or related organisations) with whom the provider has entered into any contractual arrangements for whom payments are then dependent on learner numbers, volumes or formula funding values.
- b. Provision delivered at premises owned or controlled by a partner-provider that also has contracts for the supply of educational materials and/or is involved in delivery of any learning. This includes community halls and meeting rooms for community-based provision using the partner-provider's

- own staff or any staff belonging to a staffing agency that is related to the partner-provider.
- c. Any other previous sub-contracted, franchise and/or partner-provider arrangements.

## **Guidance on provision delivered with a partner-provider**

### **General advice on contracts for partner-provider provision**

238. It is essential that providers must have a written contract governing their partner-provider arrangements which clearly sets out the respective responsibilities of both the provider and the partner-provider. This contract must entitle the provider to exercise the required control over the partner-provider's activity, including access by auditors appointed by either the provider or the funding body. Each provider will wish to take its own legal advice before entering into contracts.
239. Where leadership and management is deemed inadequate by Ofsted or by the EFA following a provider's failure to meet minimum levels of performance, or any other quality threshold set out by the EFA, or a provider is in financial failure, recruitment restrictions may be applied and the provider may not enter into new, or extend existing, EFA-funded partner-provider arrangements until the EFA is satisfied that the deficiencies have been remedied.
240. Governing bodies may approve a generic contract for partner-provider provision and then delegate to the Head or Chief Executive (Accounting Officer) of the funded provider the responsibility for ensuring that adequate scrutiny of individual contracts is undertaken.
241. The provider must have a written agreement, retained as compliance evidence, which confirms that the EFA's funding has not displaced other funds and that there is no duplication of funding from another source for the provision.
242. The EFA would not expect to fund provision that is the responsibility of another publicly funded body. Providers must have consulted their funding body if they wish to claim partner-provider provision in social services' day centres, residential homes or hospitals. LAs should consult their territorial EFA office if their advice as a funding body to a provider could be seen to have a financial conflict with any other LA's responsibility.
243. The contract must satisfy the following control test. The key elements of the control test are:
- a. a provider being able to enrol or reject learners as it would do if the learners were to be taught on its own site,
  - b. a learning agreement entered into at the time of enrolment that reflects the outcome of initial guidance and assessment for an individual learner,
  - c. a learning programme and its means of delivery that have been clearly specified by the provider,
  - d. the provider being in control of the delivery of the learning,
  - e. arrangements for assessing the progress of individual learners, and
  - f. procedures for the provider to regularly monitor the delivery of programmes provided in its name.

## Procurement

244. All providers must ensure that that they comply with relevant procurement regulations. It is the responsibility of each provider to ensure that the partner-provider or sub-contractor has been selected fairly and has sufficient capacity, capability, quality and business standing to deliver the provision that is being sub-contracted. All publicly funded bodies must ensure they comply with relevant UK and European regulations when procuring the services of a sub-contractor.
245. Providers must take all necessary steps to verify any conflicts of interests in potential partner providers, and eliminate such partner providers from the process or disclose any such issues in consulting the EFA.
246. How providers choose to meet these requirements and monitor them is a matter for them to determine. However, the EFA reserves the right to ask all providers for additional evidence that support their decisions within this process.
247. Providers remain responsible for checking the details provided by the successful sub-contractor and neither the EFA nor the Secretary of State will accept any liability in respect of the sub-contractor.
248. Where Academies are funded on the basis of their estimates of learner numbers (as specified in the Funding Agreement) provision delivered with a partner-provider will not normally be acceptable if it takes learner numbers above the number that would have been the basis of funding had the Academy been funded on the basis of the census.

## Due diligence

249. Providers are responsible for carrying out their own due diligence to manage the reputational and other risks of contracting with the proposed provider. This process must consider non-financial as well as financial issues. The governing body will wish to determine the nature and extent of these procedures but in financial terms they would normally be expected to include the steps set out below.
250. Contracts should only be awarded to registered companies or charities, the status of companies should be recorded as “active” on the Companies House register.
251. The financial health of the potential provider must be assessed to ensure that they have the financial standing and capacity to deliver the contract. This will involve obtaining and reviewing their statutory accounts (financial statements), and possible reference to credit agency checks. Statutory accounts should be subject to an external audit, (subject to the size of the company). Extreme caution must be exercised where a credit agency limit is low, or where the company has high levels of borrowing or poor indicators of financial solvency.
252. In addition contracts must not be awarded to companies with:
  - a. risk warnings (i.e., above average risk warning from an agency),
  - b. legal notices (i.e., intention to dissolve, winding up petition/order, compulsory or voluntary liquidation, etc), or
  - c. overdue statutory accounts.
253. Contracts should not normally be awarded to brand new companies:
  - a. who are yet to submit their first statutory accounts, or
  - b. who have a legal relationship with a company falling into categories listed above.

254. In an exception where a provider wishes to contract with a newly established company, it must obtain sufficient information to verify financial capacity, e.g. through a costed business plan.
255. In order to gather information about the proposed subcontractor providers may wish to refer to the Register of Training Organisations (TRoTO) to be maintained by the Skills Funding Agency. This would provide some assurance that an organisation included on TRoTO has successfully passed a due diligence process and has had their capability to deliver programmes assessed by another funding body.

#### Controls over learners, tutors and provision

256. Each learner must have a learning agreement, signed by the learner and the partner-provider, which accords with the funding guidance on initial guidance and counselling and with the terms of the partner-provider contract.
257. Partner-providers must not sub-contract the delivery of EFA-funded provision to other organisations or self-employed individuals without the express and written approval of the provider's funding body.
258. The delivery of provision must be by the partner-provider's directly employed staff. In the case of volunteers, the control must be 'as if they were employed'.
259. It is not acceptable for any control activities to be undertaken by any provider staff with a financial interest in their partner-providers. This includes the signing of time sheets or invoices as well as organising and/or performing any monitoring visits about the partner-provider delivery.
260. The provider must be able to demonstrate complete control of the provision if it is to be considered eligible for funding. If the trainers normally sell their services as self-employed contractors, the partner-provider must create an employment relationship with them. Evidence of such an employment relationship would include a statement of terms of employment and evidence of taxation under PAYE. This does not include members of a national body who are licensed to carry out training, unless they are directly employed by the partner-provider.

#### Controls over qualifications and curriculum

261. The provider should normally be the centre approved by the awarding body for the qualifications being offered by means of partner-provider provision. Where this is not the case, the provider must inform its funding body in writing as to the reasons why it is not the approved centre. Providers are reminded that learners must be registered with the awarding body in order to be eligible for EFA funding. The provider must be able to demonstrate that it is monitoring the activities of the approved centre, in particular its relationship with the awarding body, and that it is exercising control over, and making appropriate arrangements for, the quality assurance of all provision. One way for providers to demonstrate proper control would be for them to have 'observer' status at all meetings between the partner-provider (approved centre) and the awarding body and to receive copies of all correspondence between the two bodies.
262. Where the provider is making partner-provider provision in curriculum areas not normally covered by the provider, it must be able to demonstrate that it can exercise effective control over the provision. In these circumstances the provider must employ an independent person with appropriate expertise in the curriculum area to provide advice on partner-provider arrangements and undertake the necessary checks on the operation of the arrangements, including monitoring of the quality of provision. This

person must not have a financial relationship with the partner-provider firm or organisation.

263. Where the provider has joint approved-centre status with their partner-provider, all aspects of learner assessment must be carried out in accordance with directions given by the provider.
264. Where the amount and nature of the partner-provider provision represents a significant departure from the provider's previous declaration on this issue then the EFA must be consulted again and the governing body should then approve the departure.

#### Other EFA-funded learners

265. Providers are reminded that once learners are enrolled by a provider they must not be transferred for funding purposes to other funded providers. Paragraph 82 confirms that providers must not claim any funding for inward franchising. Providers must also ensure that before any other EFA funding is claimed for any partner-provider learners no 'double funding' is being claimed for them; see paragraph 13.
266. Full time provision made entirely on Academy or school premises by Academy or school staff is not eligible for funding by any provider apart from the Academy or school itself.

#### Monitoring (control) visits and spot checks

267. Providers must continue to address these issues for themselves, and the following paragraphs give some advice on the content of the controls expected from EFA-funded providers on their partner-provider delivery arrangements.
268. The spot-check visits must be carried out regularly in cases where the provision runs throughout the year. In other cases, the scheduled spot-check visits must take account of the pattern of provision so that they are applied to a significant proportion of learners. Systematic spot-check visits must involve the provider making unannounced visits in-year to each partner-provider. A sample of sites must be included for provision being delivered by each partner-provider, rather than simply revisiting the same site. The checks must be proportionate to the risk and volume of the provision and contract. They must also be undertaken during the year at times that are proportionate to the periods in which funding is being claimed.
269. Some providers have requested further clarification of this requirement. This means visiting without notice. It is suggested that at least some of these visits are unannounced to the partner-provider. The times should vary; for instance, when monitoring one-day provision or short courses, unannounced visits should be undertaken at the expected start of the programme and during 'twilight' time. Providers must ensure that they meet and interview a sample of learners and, where appropriate, staff. Learners must be asked to name the provider they are enrolled at, and must also be asked if they are at the same time, or have been recently, a learner at another EFA-funded provider. Other evidence sought should include marketing material, copies of registers, learning agreements, registration documents for awarding bodies, visit notes from external moderators and evidence of certification.
270. Systematic checks must be used to confirm that the provision exists and is consistent with the provider's expectations and the partner-provider's records. The number and characteristics of learners must accord with the provider's expectations and the partner-provider's records. For example, any obvious mismatch between the



apparent and expected age of the learners must be investigated. These checks are relevant to all forms of partner-provider provision.

271. Monitoring of provision must include checks on eligibility of provision and direct observation of the initial guidance and assessment process and at appropriate intervals, of the delivery of the learning programmes.
272. Monitoring activities must be similar to those considered appropriate for external verification or moderation, sufficient to ensure that learner progress can be monitored, and used to gather regular learner feedback.

#### Partner-providers with multiple provider contracts

273. A partner-provider must report on an ongoing basis to each provider whether it has entered into contracts with other providers, and commit to confirming the volume and value of those contracts. Providers must be proactive in ensuring that they receive such reports. The providers must liaise to determine which of them holds the largest contract with the partner-provider, where size is defined by the total amount of cash delivered with the partner-provider. For these purposes, providers must treat all companies or organisations that are in the same common ownership or control as one partner-provider, and must look carefully at any arrangements where a number of companies or organisations seem to share a similar ownership or control. Each provider must have a written agreement, retained as compliance evidence, which confirms that the EFA's funding has not displaced other funds and that there is no duplication of funding for the provision from another source.
274. The provider with the largest contract shall be regarded by the EFA as having lead responsibility for the provision. In the event that all contracts made by one partner-provider (or by a group of related partner-provider organisations) are of a similar size in terms of the amount of cash, it is expected that the provider with the most long-standing relationship with the partner-provider shall take lead responsibility. The responsibilities of the lead provider include co-ordinating with the other providers, by:
  - a. initiating sample checks, either directly or through their EFA Territorial office contact, to confirm that the provision exists and is consistent with the expectations of the provider and of the learners undertaking the programmes,
  - b. undertaking visits (some of which will be unannounced) to ensure that the provision is taking place,
  - c. checking that the provision is recorded consistently by the partner-provider, in that the number and characteristics of the learners accord with the provider's expectations and records,
  - d. confirming that arrangements are in place to ensure that there is no risk of double funding and that conflicting approaches to control and quality assurance arrangements are minimised,
  - e. ensuring that these checks are also applied to provision delivered by related partner-provider organisations.

#### Funding implications: all aspects of partner-provider provision

275. For non-existent or ineligible funding activity either recorded or claimed by providers, the EFA will seek recovery of funds paid for the ineligible activity or learners, including funding not usually subject to any reconciliation arrangements. The EFA requires all its providers to avoid the risk of such retrospective financial clawback.

## **Advice for heads of directly funded providers (Accounting Officers) on all aspects of partner-provider provision**

276. The EFA guidance on the checks expected by EFA-appointed programme and funding auditors over partner-provider delivery arrangements is made available to the heads and chief executives of providers (Accounting Officers) that have partner-provider provision.
277. The EFA sees the delivery postcode as a key factor that will identify to the provider and the funding body (and any funding auditors) the higher risk elements of a provider's provision. The management teams of all funded providers must ensure that this is appropriately monitored internally within their own organisations.
278. Provider management are required to satisfy themselves of the following.
- a. That all partner-providers delivery arrangements must be fully compliant with the evidential requirements set out in Section 6: Evidence of Learner Existence and Eligibility.
  - b. The controls set out above were in place and operating for all of their partner-provider arrangements.
  - c. Their management were making appropriate systematic checks to ensure that learners enrolled by partner-providers on their behalf and recorded in the partner-provider's records were correctly described in their learner record system and were actually receiving the scheduled provision described.
  - d. The planned guided learning hours recorded for any unlisted provision from which the funding value is derived must be correctly calculated. Guidance on the calculation of guided learning hours is contained in paragraphs 127 and 182 to 187.
  - e. For providers completing ILR returns all learners on partner-provider provision must be recorded as such on the ILR return and identified in ILR (field sub contracted/partnership UKPRN).

## Annex A: Acronyms and glossary

(This list includes acronyms that may be used in any of the funding guidance documents although some are not used in this publication)

2012/13	Denotes EFA funding year from August 2012 to July 2013
2012-13	Denotes financial year from April 2012 to March 2013
ALS	Additional learning support
BIS	Department for Business, Innovation and Skills (which includes the Skills Funding Agency)
DfE	Department for Education
DLF	Demand-led funding
EEA	European Economic Area
EFA	Education Funding Agency
GCSE	General Certificate in Secondary Education
glh	guided learning hours
IA	Information Authority
ICT	Information and communications technology
ILR	Individualised learner record
IMD	Index of Multiple Deprivation
LAs	Local Authorities
LARA	Learning Aim Reference Application
LDA	Learning Difficulty Assessment
NAO	National Audit Office
NEET	Post-16s not in education, employment or training
NQF	National Qualifications Framework
Ofqual	Office of Qualifications and Examinations Regulation
OU	Open University
QAN	Qualification accreditation number (also known as Learning Aim Reference)
QCF	Qualifications Credit Framework
Section 96	This is a list of approved qualifications which are eligible for EFA funding. Not all such qualifications attract EFA funding, as some are regarded as being covered by entitlement funding
SEN	Special educational needs
SLN	Standard learner number
SOA	Super-output area
YPLA	Young People's Learning Agency (abolished from 1 April 2012)

## Annex B: Withdrawals

### Compliance evidence for withdrawals

1. The EFA general guidance on withdrawals is set out below and Table B1 gives advice on the funding position in relation to eligibility to count learners as a start for SLN funding purposes.
2. A learner should be considered to have withdrawn from a programme of study where they are known to have made a decision to withdraw from the programme of study, or to transfer from a full time to a part-time programme of study or from a part-time to a full time programme of study. Either the learner or the learner's tutor should have confirmed this in writing.
3. In addition, for full time programmes and part-time programmes of more than 24 weeks in duration, which are not distance-learning programmes, a learner should be considered to have withdrawn where they have not attended classes for at least four continuous weeks, excluding holidays. This is unless there is auditable evidence of an intention to return. Compliance evidence includes a learner's or employer's letter or formal internal notes such as tutorial reports, contracts of behaviour or personal action plans.
4. For distance learning provision, a withdrawn learner would be one failing to meet the following guidance on participation or contact:
  - a. attendance at a centre or log-on to learning materials,
  - b. receipt of work or projects by the tutor (electronic or hard copy),
  - c. any communication with the tutor that indicated that the learner was still active on their learning aim, including any planned contacts.
5. Providers should ensure that learners are withdrawn from a programme where they have not attended classes for four continuous weeks, excluding holidays. Withdrawals should be actioned in a timely manner, and where a learner has not been withdrawn but has been absent for more than four weeks, there should be auditable evidence of an intention to return.
6. Where a learner has not been in attendance during a programme, and is deemed to have withdrawn, then the learner record should be appropriately adjusted to reflect that the learner has withdrawn.
7. Additional guidance on withdrawals is provided below. This is in response to a number of questions on this issue from providers and funding auditors.
8. Learner withdrawal dates should be promptly and accurately recorded in order to reflect the last date of actual recorded attendance. All learner withdrawals must be recorded in the ILR or school census.
9. Withdrawn learners cannot be recorded as having completed their course and are not usually recorded as achieved learners. Learners should also be correctly recorded as having transferred to another qualification, or withdrawn without transferring.
10. The date of a learner's withdrawal should be recorded in all circumstances as the last date of their actual attendance, not the date on which the learner's record was flagged as withdrawn. While learners may not be classified as withdrawn until four weeks have elapsed since their last attendance, or for open and distance learning

since the missed contact, the date of withdrawal should still be recorded as the date of last actual participation.

11. When checking the withdrawal mechanism, providers should have robust systems in place to ensure that learners with erratic attendance due to illness or other legitimate circumstances are identified. In the case of learners with mental ill-health or other legitimate reasons for erratic attendance, providers should retain evidence of assessment and/or notification from the learner, parent, advocate or medical adviser that there is a strong intention to return. In these exceptional cases, the learner need not be entered as withdrawn within the usual timescales. If the learner fails to return, the withdrawal date should be the last date of attendance.
12. Learner withdrawals are not expected to occur in a systematic pattern. Where the number of learners shown as withdrawing from courses shortly after meeting the SLN start criteria appears to be disproportionate, providers and funding auditors may wish to pay particular attention to the attendance records and associated management controls for such courses.
13. A provider should also always take active measures to ensure that the learner is continuing on the programme and has not withdrawn. This should be done, for example, by providing a planned timetable for the receipt of assignments and then checking with learners who have not provided an assignment on the due date. Good practice suggests that learners should be contacted at regular intervals to check that they are still following the programme. It is not acceptable to assume that silence means a learner is 'continuing'. Providers are reminded of the advice in paragraph 25 of this document to do everything they can to help learners complete their programmes and see early withdrawal from programmes as a last and not a first resort. Colleges need to check that partner providers are implementing the guidance. In all cases, the learner should be counted as withdrawn from the last date of actual attendance. In the case of distance-learning programmes, this is the date of the actual participation missed by the learner.

## Questions and answers on withdrawals

14. The following questions and answers will help clarify the funding situation for withdrawals.
  - Q1 If a learner is studying four AS- level learning aims over one year starting in September and withdraws from one of them after five weeks, may funding be recorded all year for the withdrawn learning aim?
    - A1 No. The learner does not meet the qualifying period to count towards the learner's SLN value for the year.
  - Q2 When a full time learner reduces their programme, at what point do they become a part-time learner?
    - A2 If a learner is a full time learner after the SLN qualifying start period they remain a full time learner for statistical purposes for the whole year. For funding purposes, they would cease to be a full time learner when their programme drops below 450 guided learning hours (glh) in the year.
  - Q3 If a learner stops attending class with no notification to the provider, when is the date of withdrawal?
    - A3 The date of the last attendance on the learning aim is the date of withdrawal. This should be found in the class register.

- Q4 If a learner stops attending classes and a member of college staff telephones the learner to discuss his or her learning progress, can this be counted as guided learning and be deemed the date of withdrawal?
- A4 No. Guided learning must be specific to the course being studied. The telephone call described here is assistance of a general nature and is not guided learning.
- Q5 If a learner stops attending classes and some time later the learner is persuaded to attend the provider to discuss his or her learning progress, can this be counted as guided learning and be deemed the date of withdrawal?
- A5 No. As in the previous answer, guided learning must be specific to the course being studied. The meeting described here is assistance of a general nature and is not guided learning.
- Q6 A learner on a one-year learning aim stops attending at Easter to revise at home yet turns up and sits the examination in early June. When is the date of withdrawal?
- A6 Early June. Sitting the examination is assessment of the learner's achievement and may count as guided learning. In practice, given the relatively short period of non-attendance, it is unlikely providers would treat such learners who passed their examination and qualification as withdrawals, instead recording them as successful completers.
- Q7 Is the date of withdrawal for open-learning or distance-learning provision worked out in the same way as for traditional provision?
- A7 Yes. It is the date of the last participation.
- Q8 If a learner completes the first year of a two-year programme and then fails to return for the second year, can the provider record an SLN value for the second year?
- A8 No. The learner must meet the start criteria for each separate funding year.

**Table B1: Funding dependent on length of planned programme and date of learner withdrawal**

	Course length	Attendance or withdrawal	SLN
Short courses (less than 2 weeks)	Course is planned to last less than 2 weeks	Enrolment and at least one course activity	Yes
	Course is planned to last less than 2 weeks	Enrolment and no course activity	No
Courses (between 2 and 24 weeks)	Course is planned to last between 2 weeks and up to 24 weeks	Enrolment and final attendance for at least the first 2 weeks of the programme	Yes
	Course is planned to last between 2 weeks and up to 24 weeks	Enrolment and final attendance less than first 2 weeks of the programme	No
Longer courses (over or equal to 24 weeks)	Course is planned to last 24 weeks or more	Learner attends for 6 weeks or more	Yes
	Course is planned to last 24 weeks or more	Learner withdraws before the qualifying period of 6 weeks	No

# Annex C: Academy and school sixth forms

## Funding eligibility summary

1. In this annex the term sixth form refers to both Academy and school sixth forms and has been produced to:
  - a. summarise the main learner eligibility section for Academy and school sixth forms, and
  - b. to include any additional guidance that is only relevant to Academy and school sixth form provision.

### Eligibility

2. To be eligible for EFA funding in a sixth form, a young person must (the second point is a simple summary of the main rules for the benefit of sixth forms):
  - a. be under 19 years of age at the start of their sixth form programme of study,
  - b. have the right of abode in England (non-European Economic Area (EEA) nationals will generally not be eligible for EFA funding unless they are accompanying parents with the legal right to reside in the UK).
3. The decision as to whether a young person is to be admitted to a sixth form does not rest with the EFA but with the governing body or maintaining LAs, in accordance with the DfE School Admissions Code of Practice.
4. There will be circumstances which make it appropriate that a young person attends sixth form on a part-time basis, when determined to be appropriate by the sixth form or LA or by the EFA.
5. Sixth forms should read the advice in paragraphs 54-61 in respect of when learners of compulsory school age are eligible for EFA 16-19 funding.
6. The EFA now has for post 16-learners common programme eligibility rules as set out in Section 3 of this document. Sixth forms should note there are a number of Section 96 qualifications that are not available for 16- to 18-year-olds, but which can be taken by 18+ and 19+ learners. These 18+ and 19+ Section 96 qualifications will not be funded in sixth forms.

## Funding data arrangements

### Data assurance arrangements

7. The Chief Executive, as the EFA's accounting officer, is responsible to the DfE for ensuring that departmental funds are applied to the purposes of funding learning. The National Audit Office (NAO), as the EFA's auditors, examines and reports upon how the EFA discharges its responsibilities towards its funded providers, including Academy and school sixth forms. In this annex the term sixth form refers to both Academy and school sixth forms.

### Maintaining supporting records

8. By accepting funding from the EFA, sixth forms take on an obligation to:
  - a. maintain all records in accordance with EFA funding guidance,

- b. allow the appointed auditor or audit firm access to the sixth form's premises to carry out the audit, and to the data records relating to the sixth form's funding from the EFA,
- c. ensure records are retained to enable the EFA to gain assurance as described in Section 6 of this document,
- d. ensure the accuracy of all data relating to sixth form funding,
- e. have in place adequate control procedures to ensure error levels are kept to a minimum.

#### Findings from previous assurance visits

- 9. The funding body data assurance visits to sixth forms have highlighted a number of issues centred on the school census. These are summarised below, as an aid to sixth forms in completing this year's forms.
- 10. Auditors discovered that a significant number of sixth forms had wrongly recorded their pupil numbers, and many had errors in the number of qualifications studied. In addition, some sixth forms had inadequate records to support their school census data. Where auditors identify that sixth forms have wrongly recorded pupil numbers or the number of qualifications studied, or have inadequate records to support their return, this may result in an adjustment to the allocation.
- 11. The head teacher should approve data returns to the EFA, particularly as any errors found could result in recovery of funding.

#### Common errors found during data assurance reviews at sixth forms

- 12. Pupil numbers.
  - a. Sixth forms that have not retained registers for the school census date.
  - b. Sixth forms that have not retained a copy of the school census return that was submitted to the DfE.
  - c. Sixth forms placing reliance on verbal or written assurances by pupils that they will return to the sixth form. (Such pupils must not be counted on the school census unless they are actually enrolled.)
  - d. Including on the school census pupils who have not attended school from the start of term. (These pupils should only be counted when the sixth form has granted them authorised absence.)
  - e. Including on the school census pupils who are already on another sixth form's roll. (Pupils must be counted only once).
  - f. Duplicating the count of pupils at sixth forms in consortium arrangements. (A pupil and their qualifications must be counted only once.)
  - g. Non-EEA pupils must not be included in the school census where right of abode has not been confirmed.
- 13. Qualifications.
  - a. Sixth forms having inadequate or inappropriate supporting documentation detailing the qualifications to be taken by each student at the school census date.
  - b. Recording on the school census pupils re-sitting GCSE and AS/A2-levels (records for re-takes are valid).



- c. Sixth forms wrongly recording on the school census any additional funding for other qualifications funded from within the entitlement funding.
- d. Sixth forms that have entered pupils on the school census return for the General Studies qualification where the pupil is not actually going to take the exam.

### Collecting data

- 14. Post-16 data collections occur as part of the normal school census. For sixth forms, data is collected on individual pupil learning aims (the qualifications each pupil is studying at any point during the year).
- 15. Qualification-level data is required because:
  - a. success rates are produced that enable a fairer and more accurate comparison of the effectiveness of different providers across the post-16 sector,
  - b. sixth forms need to be able to monitor the performance of different groups of learners,
  - c. funding for sixth forms is calculated based on aim-level data.

### Success rates and achievement rates

- 16. The agreed primary success measure within the post-16 sector is the 'qualification success rate', which identifies the number of qualifications achieved as a proportion of those started. This approach is based on the number of learning aims being studied, and the results achieved.
- 17. In simple terms the success rate is:
 
$$\text{achievements} \div \text{starts} = \text{success rate}$$
- 18. A number of learning aims were removed prior to the calculation of these elements:
  - a. entitlement aims, which are not related to the success rate,
  - b. cases where the aim does not generate SLN or receive an in-year payment,
  - c. key skills and functional skills, and
  - d. aims that are completed but with an unknown outcome.
- 19. Only aims with a planned end date in the relevant academic year were selected.
- 20. There are a number of benefits of using the qualification success rate measure.
  - a. Improved parental and student choice as parents and students will have consistent information across providers to inform their choices for post-16 education and training.
  - b. Improved quality and management in sixth forms who will be able to analyse the performance of their students more rigorously for the benefit of learners, thereby aiding institutional self-improvement.
  - c. Head teachers and senior staff will be able to manage the curriculum more effectively and benchmark themselves against other sixth forms and post-16 providers.
  - d. Ofsted will be able to make consistent and rigorous judgements on the effectiveness of sixth forms.

- e. Using this comparable data will enable the EFA, LAs and other interested parties to deliver more effective and efficient planning within the post-16 sector.

## Recording the data

21. In the census, sixth forms need to record:
  - a. each pupil and that pupil's details,
  - b. the aims studied by each pupil, including the Qualification Accreditation Number (QAN),
  - c. the start and end dates of each aim, and
  - d. the status of each aim.
22. It is very important that the start and end dates (both expected and actual end dates) and the status of each aim are completed accurately, as these are the key fields used in the census to calculate funding and success rates. Inclusion of an incorrect end date, for example using the end of the academic year, could result in those learning aims being excluded.
23. Sixth forms should record all qualifications for which they expect to receive funding, including provision where funding is reduced by the maximum funding per learner as explained in companion document Funding Rates and Formula.
24. The data collected will provide a full history for an academic year, not just snapshot data on a particular date. This will allow the pupil record to be identified at any chosen time of the year.
25. During the year, sixth forms should indicate the status of each aim. The options available are:
  - a. 'transfer' - when a student ceases studying for one qualification in order to start on a new, often related, qualification,
  - b. 'withdrawal' - when a student ceases a qualification without any consequent new/replacement qualification being started,
  - c. 'completed' - when the aim has been completed, irrespective of whether the aim has been achieved or not,
  - d. 'continuing' - when the aim is not yet complete and study is continuing.
26. The difference between a transfer and a withdrawal is especially important for funding and performance purposes as a transfer is not taken into account when calculating qualification success rates but a withdrawal is. A withdrawal is treated as if the pupil has stopped studying for that qualification.
27. Sixth forms should take care to indicate those pupils who have withdrawn from any qualifications within the funding start period. These records are not considered when calculating success rates. Good practice encourages sixth forms to modify the database as pupils modify their qualifications during the year, thereby saving the sixth form work when the data is required by the DfE.
28. Further support on completing the census, including a helpdesk is available through the [DfE website](#).<sup>11</sup>

---

<sup>11</sup> [www.education.gov.uk/schools/adminandfinance/schooladmin/ims/datacollections/schoolcensus](http://www.education.gov.uk/schools/adminandfinance/schooladmin/ims/datacollections/schoolcensus)

## Annex D: Defining EU, EEA and eligible overseas dependent territories

1. This annex lists the qualifying countries and/or areas that establish learner eligibility for EFA programme funding.

### Member states of the European Union

- Austria
- Belgium
- Bulgaria
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom

### Notes on certain territories that fall within the EU

2. The following notes help to further define those territories which should be regarded as part of the EU for the purposes of the fees regulations.
  - a. Finland: includes Aland Islands.
  - b. France: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon) is part of metropolitan France and is part of the EU.
  - c. Germany: includes territory of the former German Democratic Republic prior to German unification. The tax-free port of Heligoland is included within the EU.
  - d. Portugal: Madeira and the Azores are part of the EU. Macao is not.
  - e. Spain: the Balearic Islands, the Canaries, Ceuta and Melilla are part of the EU.
  - f. UK: Gibraltar is part of the territory of the EU. The Channel Islands and Isle of Man are not part of the EU, nor are the sovereign bases on Cyprus.
  - g. Other territories: Andorra, Monaco, San Marino and the Vatican are not part of the EU.

### Member states of the European Economic Area (EEA)

3. This includes all the EU countries and territories listed above, together with the Iceland, Liechtenstein, Norway and Switzerland. For simplicity, for providers that have to assess learners for eligibility for EFA funding, Switzerland is treated as within the EEA. In law, Switzerland is not part of the formally recognised EEA but its nationals are similarly eligible under various international treaties signed by the UK and Swiss governments.

## EFA eligible overseas territories

4. These will be either UK or EU overseas territories for which the EFA will allow providers to claim funding (please refer to paragraph 35 in the main guidance).

### Eligible British overseas territories

- Anguilla
- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- Montserrat
- Pitcairn, Ducie and Oeno Islands; Henderson Island
- South Georgia and the South Sandwich Isles
- St Helena and its Dependencies
- Turks and Caicos Islands

### Eligible overseas territories of other EU member states

#### Denmark

- Greenland and Faroe Isles

#### France

- New Caledonia and Dependencies
- French Polynesia
- Wallis and Fortuna
- Mayotte
- French Southern and Antarctic Territories

#### Netherlands

- Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten) and Aruba



Education  
Funding  
Agency

© Crown copyright 2012

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence](http://www.nationalarchives.gov.uk/doc/open-government-licence) or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at [fundingqueries.efa@education.gsi.gov.uk](mailto:fundingqueries.efa@education.gsi.gov.uk).

This document is only available from our website at [EFA16 to 19 funding guidance 2012/13](#).