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**Date** 23 August 2006  
**Our reference** JD/AW

Dear Charlotte

### **LSC Funding Methodology**

Further to our telephone conversation regarding the LSC funding methodology, and the closure of Hartlepool College of Further Education nursery provision I would like to outline the LSC responsibilities.

At the start of each academic year the LSC will agree a 'plan' with a college which is broadly made up of the number of learners expected to attend the college multiplied by the average cost of each learner based on what happened in the preceding year. Over and above this the LSC will allocate an amount of money to provide Additional Learning Support (additional activity that provides direct learning support to learners). The LSC therefore funds the learning opportunity only - it does not directly provide funding for childcare facilities.

The budget the LSC has allocated to the college to provide learning in 2006/07 has decreased. However this is due to a number of factors which I would like to explain. The number of learners attending the college has reduced, and, as outlined already above, we fund a number of learners at an average cost.

In addition to this, we have implemented the Government's policy on "Priorities for Success" which aims to redress the balance between public and private contributions towards learning. This in essence means that those more able to pay should pay, eg employers, and those studying more advanced qualifications to further their career should be seen to be investing in themselves due to the benefits they will reap on completion, for example, greater salaries. In addition to this, Priorities for Success aims to reduce the level of non-accredited provision that is available, resulting in more people completing courses that are recognised and

accepted as industry standard. Adjustments have been made to all colleges' allocations in view of the extra income they will therefore receive.

As independent institutions with a Board of Governors, College's can decide how best to use the resources that the LSC allocate to deliver the agreed plan. The LSC does not specify how a College should use this resource other than prioritising the agreed learning opportunities. I hope this provides you with the information you need.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan Wallace', written in a cursive style.

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