



BUD FUNDING

Hard Close Q&A

Bud's experts, Matt Wood, Funding and Compliance Manager and Ruth Johnson, BDM, provide unique insight into hard close.

Introducing hard close

The role and purpose



What is hard close and what are the consequences if you get it wrong?



Matt Wood
Funding and Compliance Manager

Hard close refers to the final ILR submission of the academic year. Its more technical name is R14 which quite literally means the 14th ILR return of the year. People often call it hard close because it means once that deadline is passed providers are not able to change their data for the previous year. So it's literally a hard close, no final changes. Just to give a little bit of context for newer providers, providers submit an ILR claim every month of the year. So that happens on the 4th day of the month and it's retrospective for the previous month or months leading up to that appointment. When we get to the end of the academic year, which is the 31st of July, providers are then given an additional 2 months to clean up their data. So you don't just get to August submit a return and that's done for the year. Instead, it goes through to September and October.

The October deadline is the final deadline. No changes can be made as I said before. This year, the deadline is the 21st of October at 6:00pm. If you miss that cut-off, you've missed the final opportunity to put in your data which would be catastrophic really for providers.

The main purpose of hard close is to ensure the ESFA's financial reconciliation data is accurate at academic year end. They will analyse provider's data and make sure that all the money that's paid in the year is accurate. So for some providers this could mean that they've been overpaid by the ESFA throughout the year and they could have funds clawed back. It could go the other way and it could mean that providers have actually been underpaid throughout the year, in which case the ESFA will pay extra. So that financial reconciliation piece is probably the biggest aspect of the final close in the year.

Secondly, the data that's submitted is used by two different parties, the ESFA and Ofsted. Ofsted will drive their inspections based on the data that's on the ILR return and the ESFA will conduct financial returns, visits and audits based on that data. So it's really key that you get the compliance aspects to back up the data that you're putting into your ILR. One of the key things of ESFA audits is, quite literally, getting your ILR data and putting that alongside your paperwork to make sure that the two pieces of information match up. Making sure that your data is correct, especially when it comes to hard close will ensure that you've got a better chance of having successful audits and not having future funds clawed back by the ESFA. Because, even if your audit happens several years after, they can go back many, many years and take that money from you. So, it's not just a one-off thing that happens every October, it's a continual process with your ILR returns happening every single month.

The data that's there drives a lot of other stuff. So your quality measures from the ESFA, QARs (Qualification Achievement Rates), are key statistical data that the ESFA will use to tell how successful a provider you are, how many learners you have coming onto start, how many of those learners complete and how many withdraw. If a large percentage of learners withdraw then that flags to the ESFA that the provider has a problem.



This data is now not just for the ESFA. It's getting published in a more frequent and more transparent system so it means that learners, employers, everybody else, every provider, can see what's going on at every provider. So it's making sure that throughout the year, you know that your learner success rates are looking good. Don't just look at it as hard close, make sure throughout the year you're keeping on track of your withdrawals and success rates so that you are prepared for hard close.

The other thing that it could be used for, moving outside of apprenticeships, is actually calculating future funding as well. So, for things like AEB and your 16-19 funding, providers are allocated contracts. They get x amount to spend in a year, let's say £1 million. If they only spend £800,000 of that, the £200,000 surplus might go from the budget next year. So, making sure that you're actually performing against your contract measurables is really really important. And again, this is what the data from hard close is all driven towards for the ESFA, checking that people are on track and that their performance looks good.



Why is hard close called R14?



Matt Wood
Funding and Compliance Manager

The R refers to the ILR Return that is done every month. So it's literally just R1, R2, R3 and so on. So, it's just another way of saying return 1, return 2, return 3 and so on. So August is R1 and you go right through to R12, R13, R14 up until October. You can reconcile your data at any point in the year. But after R14 there's no reconciliations after that and that's why it's called hard close.

The challenges

A provider's perspective —

Q

Matt and Ruth both have a huge amount of experience in the training sector, not just with Bud but actually in training providers. And Ruth has also worked as a nurse and trained apprentices. What do you believe are the challenges associated with hard close?

A

Ruth Johnson
Business Development Manager

When I hear hard close mentioned, I feel relief that I am no longer on the front line dealing with the many challenges that need to be resolved in that period. You know it's coming, and you're preparing for it, but actually being there in the moment, that's the biggest challenge. As a trainer with a large caseload, having to deal with disengaged learners whilst maintaining quality delivery and dealing with other pressures makes hard close a really challenging time of year. So being able to put all of that data together and being able to prioritise and know what's going to have the largest impact on the success rates, on the funding outcomes, on all the key metrics that the SMT are looking at, can be quite overwhelming. There are many challenges, but the main ones are: prioritisation, time management, engagement of learners, motivation of trainers and trying to track, measure and use that data effectively.

The impact of hard close

A manager's perspective —

Q

Regarding people with Operations roles, what does hard close mean to them?

A

Ruth Johnson
Business Development Manager

For an ops manager, again it's being able to have that impact on all the things that Matt referred to. They're going to have expectations from the director level down to be able to make a difference and secure revenue as well as ensure compliance and quality as, intrinsically, they go hand in hand. For example, it's knowing exactly where all the learners are within your trainer's caseloads and being able to almost predict the future to know that you can confidently report to your directors that learners are progressing and will complete in a timely manner. You also need to make sure learners returning from a break do so and progress as planned. Progress reviews need to be maintained. ALS needs to be delivered to the learner and robust evidence captured. You need to have a view of all the metrics that will influence the funding such as eligibility compliance and progression and make sure ESFA requirements are being met. As an ops manager, you would need to know and be able to give that information regularly and at the drop of a hat and be confident that your data is correct and collated from a single source of truth.



Securing funds

Reducing risk of clawback —



What can managers do during hard close to maximise the amount of funding they'll receive?



Matt Wood
Funding and Compliance Manager

Maximising funding is important, but it's securing those funds as well. I talked before about clawback and how that is one of the major issues for providers. It's all about making sure that your data is accurate and secure throughout the year. I don't think you can look at hard close as a one-off thing. From R1 up to R14, you need to make sure that every return is accurate and that it's backed up by your compliance and reporting system.

As Ruth said, the two systems have got to work closely together. The compliance team will be submitting the claim for LSF (learner support funding), and the operations team and the trainers, will need the evidence to show that they've actually been delivering that additional learning support. Things like breaks in learning and completions - have you recorded that those things have actually happened so you can put them on an ILR form to get paid for them?



Unfortunately, the ESFA are pretty strict about it. If you had somebody starting in July and you forgot to put them on your ILR return, unfortunately you've missed your live payment, there's no going back. So, it's really making sure that all your teams collaborate and that your data is correct throughout the year. If your data's good throughout the year, it's going to be good at R14, that's a general rule of thumb. Obviously, it's a stressful period and you've still got to go back and do that reconciliation piece at the end of the year, but you'll be in a much better position.

The other thing I think managers can do is know as much about the ILR and the different error reports as possible. There are some really good ESFA documents out there. You've got the ILR validation rules. This helps you to understand the warnings and errors that you get when you submit the ILR data. When that ILR is submitted you actually get a lot of reports back from the ESFA. Understanding those reports is key as well. It helps you to understand your data and it helps you to understand specifically what the ESFA are looking at themselves. It gives you that funding information. It might even tell you where you've got discrepancies or inconsistencies. So, I would say dig into that data and make sure you understand it. Do that regularly throughout the year, keep coming back to that. And remember, R14 is not a one off. Work on it throughout the year.

And the other thing I'd say is just ask around as well. There's some really good support networks out there. Ask the service desk if you're not sure what's going on. There's also some really good peer support groups and ESFA communities I would really advise joining. There's a lot of ILR and data managers on there who offer advice to one another. It's a really good place to make sure that as a compliance manager you're able to maximise and secure the funding for your ILR claim.

Ruth Johnson Business Development Manager

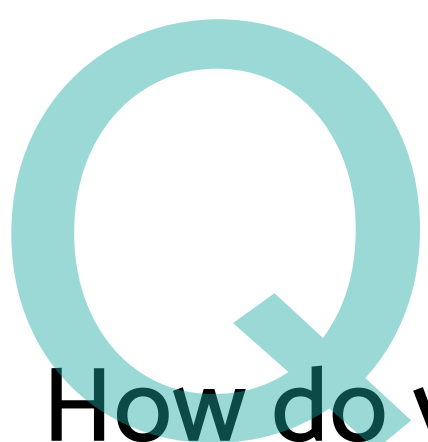
It's always really good to remember that it's a continuous cycle. So, whilst you're in that hard close you actually can't forget you're also in the next academic year. You can't get too bogged down in what's happening in hard close because you need to positively influence the following year. So, if your completions and your starts slow up then that's going to have an effect on your funding for the next academic year.

Matt Wood Funding and Compliance Manager

That's right and that's the challenge with the ILR. In September and October, you've got two returns to make. You've got the previous academic and the new academic year all happening within a couple of weeks of each other. You have to really be on top of what you're doing for those couple of months.

The impact of hard close

A trainer's perspective



How do you think hard close impacts trainers?

A

Ruth Johnson
Business Development Manager

When I was a trainer I remember it was a key focus of every caseload review and every team meeting. We would be preparing for hard close from February/March time and trying to ensure that we were ahead of the game. But things get in the way. You've got to keep those learners engaged. You've got to keep them motivated to be able to progress in a timely way. But life happens and especially at the moment, I can imagine that this hard close is going to be particularly difficult because, of course, everyone has been dealing with Covid, lockdowns and furlough. Many learners have been on, or are on, breaks in learning and need to be brought back. I suspect there's been a lot of attrition with apprentice's managers as well.

Q

What do you think trainers can do to manage their caseload between August and October?

A

Ruth Johnson
Business Development Manager

I would always advise getting it right first time, at the point when you are capturing the data/evidence. Then you will go into hard close knowing your evidence is in place. In terms of referrals, in terms of knowing and reviewing breaks in learning and who needs to return. In terms of the evidence that they need to provide for progression and also additional learning support. So, get it right first time. Prioritise and manage your caseload and know exactly where your caseload is and what needs to be done to positively impact it. Work smart, don't work hard.

Improving for next year

Using a training management platform

Q

How do you think Bud can make a difference?

A

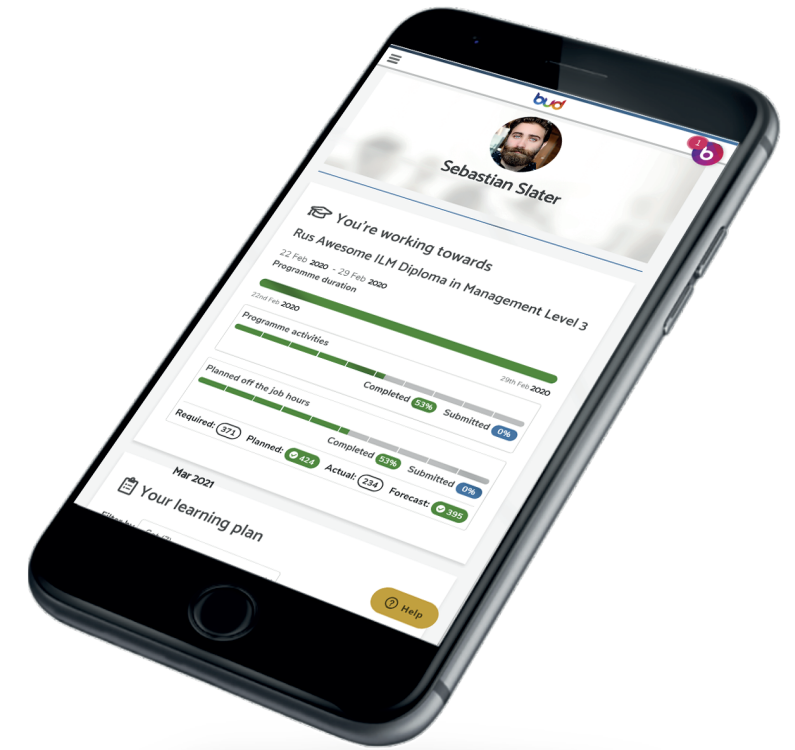
Ruth Johnson
Business Development Manager

If I'd had a system like Bud when I was a trainer or an ops manager, my life would have been so much easier. For trainers, having Bud's dashboard right from the outset to inform their actions, their working day, their working week. Being able to prioritise by knowing what needs to be done first. Not getting bogged down with the white noise, the less important things, but knowing what your required actions are - Bud's dashboard enables you to do that. Bud enables managers and trainers to see who their disengaged and at risk learners are, see who's approaching their end date and support them to collate evidence for EPA. Bud also provides touchpoints for Additional Learning Support so the evidence is robust and always there.

Bud enables trainers to do the right thing at the right time, every time, so they can concentrate on the learner, keeping them engaged, building on their skills and behaviours, the knowledge is taken care of within Bud through their learning plans. With Bud managing all of these efficiencies, if anything does crop up, the trainer is ready, they're there and they're prepared for it. With a system like Bud, my life would have been so much easier because I had to use multiple different systems that were not joined-up, and at the same time I had to ensure the engagement of my learners, keeping them on board and progressing.





Find out more about Bud

Book a demo



As pioneers of technology, Bud Systems can support with many aspects of training delivery.

For example:

-  Create a consistent, easy-to-use digital learning environment that learners, employers and trainers will love.
-  Capture real-time business intelligence giving training providers a complete overview of every aspect of an organisation's performance.
-  Quality check programme delivery, identifying areas for improvement in real time.
-  Automatically collate evidence needed to demonstrate learner outcomes and hit compliance targets to release funding.

To find out more about how we can help you maximise your training performance, get in touch with the team below:



info@bud.co.uk
bud.co.uk
0117 4400 300



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