

Agenda

- 10:30 AEB overview, key documents and changes
- 11:10 Funding entitlements and 'streamlined' qualification eligibility or RARPA
- 11:50 Break for refreshments
- 12:10 The Single Activity Matrix and full or co-funded funding formula
- 13:00 Break for lunch
- 13:50 Monthly funding and making sense of the different funding eligibility
- 14:30 The ILR and related data tools
- 15:00 Curriculum planning hints and tips
- 15:30 End

AEB overview, key documents and changes

Nick Linford
Director at Lsect

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The Adult Education Budget - fixed at £1.5bn

	Baseline 2016-17 £000's	Funding 2017-18 £000's	Indicative	
			2018-19 £000's	2019-20 £000's
DfE Core Teaching & Learning				
1 16-18 Apprenticeships	732,000	788,000	849,000	906,000
19+ Apprenticeships	926,019	1,076,004	1,246,996	1,422,999
2 Adult Education Budget	1,494,000	1,503,000	1,511,000	1,512,000
TOTAL: Core Teaching & Learning	3,152,019	3,367,004	3,606,996	3,840,999
3 Advanced Learner Loans	260,000	325,000	440,000	480,000
TOTAL: Teaching & Learning	3,412,019	3,692,004	4,046,996	4,320,999
4 Offender Learning & Skills Service	130,350	130,350	130,350	130,350
Funding to Support				
5 16-18 Apprenticeships	71,500	66,000	61,000	59,000
19+ Apprenticeships	79,000	80,000	74,000	62,000
6 Adult Education	311,324	259,921	192,809	177,427
TOTAL: Funding to Support	461,824	405,921	327,809	298,427
GRAND TOTAL	4,004,193	4,228,275	4,505,155	4,749,776

“Brings together the previous Adult Skills Budget, Community Learning and Discretionary Learner Support into a new single budget line.”

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/599089/SFA_Letter_2017-18_final.pdf

The four AEB provision categories

The DfE says the AEB provision has broadly four categories:

1. Statutory entitlements

- > English and maths GCSE and functional skills up to Level 2 (including as part of a traineeship), for those aged 19 and over who have not achieved a GCSE grade 4-9
- > Provision to support progression up to a first full Level 2, or a first full Level 2, for those aged 19 to 23
- > First full Level 3 for those aged 19 to 23

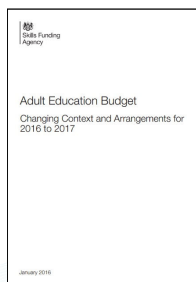
2. Skills provision for unemployed

3. Traineeships

4. Community learning for learners furthest from learning or employment

Biggest difference from Adult Skills Budget is that it includes community learning and excludes apprenticeships

What else makes the AEB different from the ASB?



<http://tinyurl.com/zflnv63>

“This is an executive summary of the changes that we plan to make as part of the transition to full skills devolution starting from 2018/19”

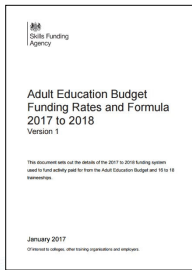
“We have focused on the aspects that will enable the establishment of flexible commissioning before the transfer of responsibilities to local areas.”

“it will have much greater flexibility in how colleges and other training organisations focus on responding to local economic priorities and outcomes”

Flexibility at level 2 and below: “We have removed the requirement for all delivery we fund to be in the form of a qualification. We only require a qualification to be delivered where a learner is exercising their legal entitlement to a first full Level 2 or Level 3 and/or English and maths.”

Devolution of funding starting from 2018/19 after area reviews?....“There can be no devolution of the AEB to an area before successful completion of an area review”

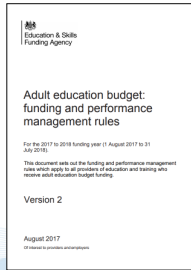
Key current docs and sources 2017/18 AEB funding



**Adult Education Budget
Funding Rates and Formula
2017 to 2018
Version 1**

January 2017


<https://www.gov.uk/government/publications/adult-education-budget-funding-rates-and-formula-2017-to-2018>



**Adult education budget:
funding and performance
management rules**

August 2017


<https://www.gov.uk/government/publications/adult-education-budget-funding-and-performance-management-rules-2017-to-2018>



[List of qualifications at level 2 and 3 in the legal entitlements](#)

MS Excel Spreadsheet, 248KB

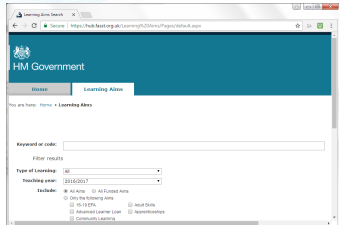
- ☒ Core
- ☒ Non Core



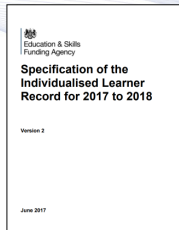
[List of qualifications in english and maths in the legal entitlements](#)

MS Excel Spreadsheet, 185KB

- ☒ Functional Skills
- ☒ GCSE
- ☒ IGCSE (count towards Ebacc)
- ☒ Legacy GCSE
- ☒ Stepping Stones



<https://hub.fasst.org.uk/Learning%20Aims/Pages/default.aspx>



**Specification of the
Individualised Learner
Record for 2017 to 2018**

June 2017

<https://www.gov.uk/government/publications/ilr-specification-validation-rules-and-appendices-2017-to-2018>

Four key changes for 2017/18

“From 1 August 2017, we will not fund learners to study, or continue to study, with the legacy maths and English GCSEs. After this date, all learners must undertake the reformed GCSEs graded 9-1.”

Para 34 page 9 (rates) “In 2016 to 2017 we funded any 16- to 18-year-old who turned 19 in their second or subsequent funding year of a single programme of study. We funded these learners (not in sixth-form colleges, schools or academies) at 16 to 19 rates using the Education Funding Agency’s (EFA’s) 16 to 19 funding model. The EFA will be directly funding these learners in 2017 to 2018; there should be no impact to your funding. This does not apply where the learner is on a traineeship and you do not hold an EFA contract”

“The ‘non-core’ qualifications added to the entitlement will be available for the 2016 to 2017 funding year. We will not consider these for inclusion in the 2017 to 2018 funding year as we move towards a unified entitlements offer for 16- to 23-year-olds.”

Para 80 on page 12 (rules): “You must take your own legal advice about the impact of Public Contracts Regulations 2015 on your recruitment of delivery subcontractors and have this advice available for inspection by us on request.”

Funding entitlements and 'streamlined' qualification eligibility or RARPA

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Funding learning aims

With end of QCF, alignment with DfE and creating a
'flexible' local offer it's a big change programme

- > **Legal entitlements** fully-funded (firstness) offer
English and maths and Level 2 and 3

"We are working with the DfE and EFA on a
single, streamlined process for qualification
eligibility" as part of the "Technical and
Professional Education reforms."

- > **Local flexibility** (including non-qualification)
Level 2 and below including
non-qualification with RARPA

‘How qualification level maps to public funding’

Level 4 – 6	Advanced Learner Loans – Qualification (19+)		
Level 3	Advanced Learner Loans – Qualification (19+)	Legal Entitlement to first full level 2 or 3– Qualification (19-23 only)	
Level 2	Local Flexibility – Qualification, Component and/or bespoke, locally designed, tailored training provision (19+)		Legal Entitlement to English and Maths - Qualification and/or components (19+)
Level 1	Local Flexibility – Qualification, Component and/or bespoke, locally designed, tailored training provision (19+)		
Entry			

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/500429/Qualification_Eligibility_Principles_V1.pdf

Legal entitlement qualification approval

The entitlements allow learners aged:

> 19 to 23 to be fully funded for a first qual at Level 2 and/or Level 3

> 19+ to be fully funded for a qual in English or maths up to and including Level 2

“As we move towards devolution of adult skills and implement the recommendations arising from the Skills Plan the SFA will work with DfE to move towards greater alignment of technical qualifications for learners aged 16 to 19 and 19 to 23.”

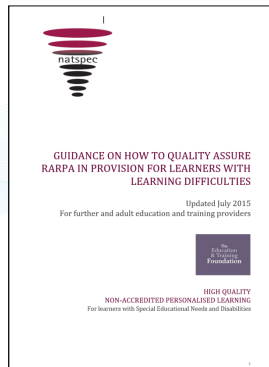
“From 2017 to 2018 only those technical and applied qualifications appearing in the 2018 and 2019 performance tables will be in scope for the 19 to 23 entitlements and, apart from the general qualifications identified above, no other qualifications will be included.

August 2016: <https://www.gov.uk/government/publications/14-to-19-technical-and-applied-qualifications-technical-guidance>

Draft AEB funding rules: “The Post 16 Skills Plan [15 routes] announced the reform of technical education and we are working through the implications of this for legal entitlements and the local learning offer.”

RARPA

“Where you are not delivering a regulated qualification you must ensure that you have appropriate and robust quality assurance processes in place. For instance ‘**Recognising and Recording Progress and Achievement**’ (RARPA) that would be acceptable to Office of Standards in Education (Ofsted)”



“This guidance may also be of interest to teachers using RARPA. While it has been developed and tested on provision for learners with learning difficulties, the process may also be used for any learning programmes and groups of learners, although some of the criteria may require minor modification.”

“a template for recording information on how to use the standards, criteria and evidence and examples derived from practice is provided in section 3.”

<http://send.excellencegateway.org.uk/content/eg6813>

The five stages of RARPA

1. Aims appropriate to an individual learner or groups of learners (clearly stated learning aims)
2. Initial assessment to establish the learner's starting point
3. Identification of appropriately challenging learning objectives: initial, renegotiated and revised
4. Recognition and recording of progress and achievement during programme (formative assessment): teacher feedback to learners, learner reflection, progress reviews
5. End-of-programme learner self-assessment; teacher summative assessment; review of overall progress and achievement

<http://send.excellencegateway.org.uk/content/eg6813>



Funding rates **BEFORE** 2016/17 (QCF related)

Introduced in 2013/14 the rates have been based around QCF credits

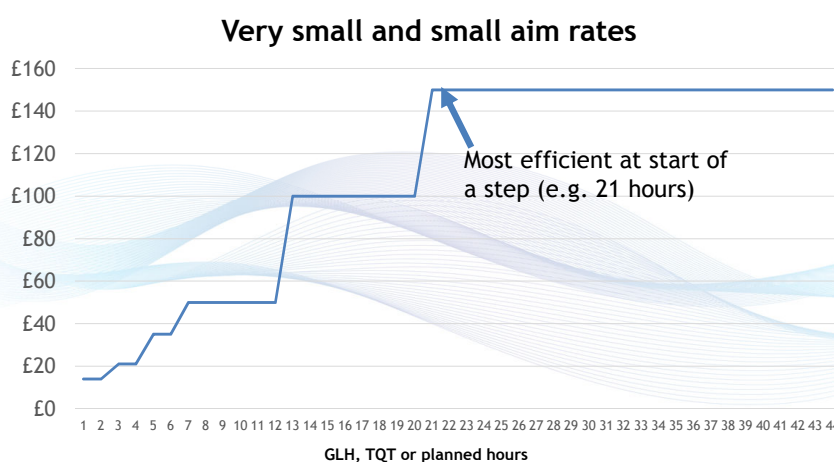
Funding band (QCF credits)	Base rate (1 PW)	Low rate (1.12 PW)	Medium rate (1.3 PW)	High rate (1.6 PW)	Specialist rate (1.72 or 1.92 PW)
Awards (1 credit)	£50	£56	£65	£80	£86 or £96
Awards (2 credits)	£100	£112	£130	£160	£172 or £192
Awards (3-5 credits)	£150	£168	£195	£240	£258 or £288
Awards (6-8 credits)	£300	£336	£390	£480	£516 or £576
Awards (9-11 credits)	£450	£504	£585	£720	£774 or £864
Awards (12 credits)	£600	£672	£780	£960	£1,032 or £1,152
Certificate (13-24 credits)	£724	£811	£941	£1,159	£1,246 or £1,390
Certificate (25-36 credits)	£1,265	£1,417	£1,645	£2,025	£2,176 or £2,428
Diploma (37 to 48 credits)	£1,987	£2,225	£2,583	£3,179	£3,417 or £3,815
Diploma (49 to 72 credits)	£2,573	£2,882	£3,345	£4,117	£4,425 or £4,940
Diploma (73 to 132 credits)	£4,170	£4,670	£5,421	£6,671	£7,172 or £8,006
Diploma 133 credits or more)	£6,602	£7,395	£8,583	£10,564	£11,356 or £12,675

SAM funding rates **FROM** 2016/17

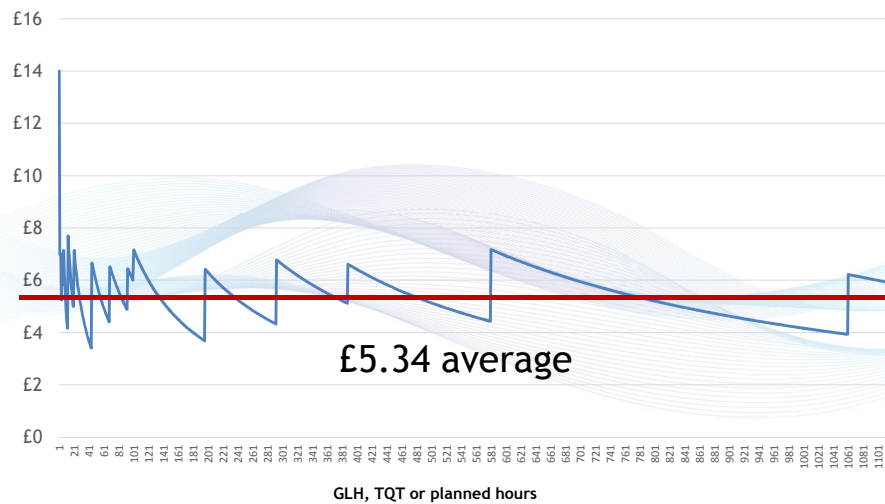
Now that the QCF is being phased out, the new **Single Activity Matrix** is based around guided learning hours. Rates same but extra 'very small' rows

GLH, TQT or planned hours	Type	Base rate (1 PW)	Low rate (1.12 PW)	Medium rate (1.3 PW)	High rate (1.6 PW)	Specialist rate (1.72)*
Up to 2	Very small	£14	£16	£18	£22	£24
3 to 4		£21	£24	£27	£27	£36
5 to 6		£35	£39	£46	£46	£60
7 to 12	Small	£50	£56	£65	£80	£86
13 to 20		£100	£112	£130	£160	£172
21 to 44		£150	£168	£195	£240	£258
45 to 68	Medium	£300	£336	£390	£480	£516
69 to 92		£450	£504	£585	£720	£774
93 to 100		£600	£672	£780	£960	£1,032
101 to 196	Large	£724*	£811	£941	£1,159	£1,246
197 to 292		£1,265	£1,417	£1,645	£2,025	£2,176
293 to 388		£1,987	£2,225	£2,583	£3,179	£3,417
389 to 580	Very large	£2,573	£2,882	£3,345	£4,117	£4,425
581 to 1060		£4,170	£4,670	£5,421	£6,671	£7,172
1061 or more		£6,602	£7,395	£8,583	£10,564	£11,356

Example of how bands are efficiency steps



Funding per SAM hour



SAM high and low efficiency points

GLH, TQT or planned hours	Rate	Bottom of band per hour £	Top of band per hour £	Value of extra hour at boundary
Up to 2	£14	£14.00	£7.00	£7
3 to 4	£21	£7.00	£5.25	£14
5 to 6	£35	£7.00	£5.83	£15
7 to 12	£50	£7.14	£4.17	£50
13 to 20	£100	£7.69	£5.00	£50
21 to 44	£150	£7.14	£3.41	£150
45 to 68	£300	£6.67	£4.41	£150
69 to 92	£450	£6.52	£4.89	£150
93 to 100	£600	£6.45	£6.00	£124
101 to 196	£724	£7.17	£3.69	£541
197 to 292	£1,265	£6.42	£4.33	£722
293 to 388	£1,987	£6.78	£5.12	£586
389 to 580	£2,573	£6.61	£4.44	£1,597
581 to 1060	£4,170	£7.18	£3.93	£2,432
1061 or more	£6,602	£6.22	-	-

Other funding rates (unchanged from 2016/17)

Qualification type	Programme weighting (PW)				
	A – Base (unweighted)	B – Low	C – Medium	D – High	E or G* (specialist)
GCE AS-level	£724	£811	£941	£1,159	-
GCE A-level	£1,987	£2,225	£2,583	£3,179	-
GCSE	£724	£811	£941	£1,159	-
GCSE short course	£300	£336	£390	£480	-
Functional skills in English or maths	£724	-	£941	-	-
Functional skills in IT	-	£336	-	-	-
Access to HE	£3,022	£3,384	£3,928	£4,835	£5,197

BUT ALWAYS CHECK LARS

The single work-placement and work-preparation rate for traineeships of £970

Annual funding cap of £4,400 for each learner each year, before any weightings

Learning Support still at a fixed monthly rate of £150

AEB fully funded formula

The base rate and programme weighting form part of a larger formula

$$\begin{array}{ccccccc}
 \boxed{\text{BR}} & \times & \boxed{\text{PW}} & \times & \boxed{\text{DU}} & \times & \boxed{\text{ACU}} = \text{Funding} \\
 \text{Base rate} & & \text{Programme weighting} & & \text{Disadvantage uplift} & & \text{Area cost uplift}
 \end{array}$$

PW = Set for each aim based on the Sector Subject Area assigned to the aim. They are A (1), B (1.12), C (1.3), D (1.6) and E (1.72)

DU = Based on learner's home postcode. If in one of the 27% most deprived areas (based on IMD 2015 in 17/18) then the DU is between 1.084 and 1.336

ACU = Based on delivery location, this is a South East weighting which rises the closer the delivery to central London (1.2 max)

AEB co-funded formula

Funding is reduced by half the unweighted base rate

$$\left[\text{BR} \times \text{PW} \times \text{DU} \times \text{ACU} \right] - \left[\text{BR} \times 0.5 \right] = \text{Stack of coins}$$

The co-funded amount deducted from funding is half the value listed for that learning aim on LARS

So if you choose to set fees on this level, it is the same for that base rate for all learners across England

Monthly funding and making sense
of different learner funding
eligibility

Qualifying period for funding

An learning aim will only be counted if it is funded, and will only be funded if it is eligible AND passes the qualifying period

The length of the learning aim is defined by the calendar days (including weeks) between the start date and the end date in the ILR

Length of learning aim	Qualifying period
168 days (24 weeks)	42 days (6 weeks)
14 to 167 days (2 - 24 weeks)	14 days (2 weeks)
Fewer than 14 days (under 2 weeks)	1 day (1 attendance)

If a learning aim has an actual end date before the qualifying period and is an early completer then the aim is counted and all of the funding is earned

If a learning aim has an actual end date before the qualifying period and is not completed then the aim is not counted and no funding is earned

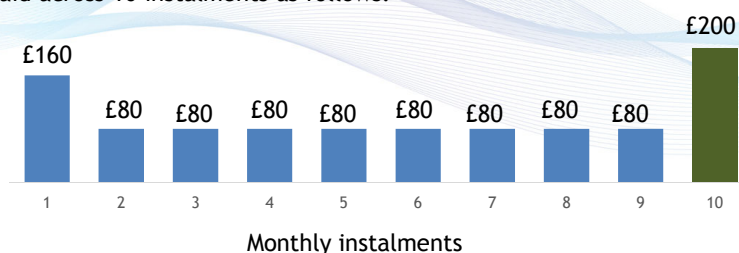
Monthly funding instalments

Funding for each learning aim is paid in monthly instalments according to the start and end dates in the ILR, based on a standard formula

On programme payments are 80% of the weighted co- or full-funding and paid monthly (with double in month one). This is paid for the months before their actual end date.

Achievement payment for remaining 20% paid in the month of the actual end date where the aim is fully achieved

For example, a 9 month learning aim with weighted funding of £1000 would be paid across 10 instalments as follows:



Job outcome payment excluded from achievement rates

Up to 90% of the weighted rate can be paid for a non-achieved learner if a fully funded unemployed learner who can provide evidence they have a job for at least 16 hours a week for four consecutive weeks. Any unemployment benefits must also be declared as stopped.

Example: £1000 weighted rate pays £900 across 10 instalments where learner completes, doesn't achieve but is eligible for a job outcome payment



Example: £1000 weighted rate pays £580 across 10 instalments where learner withdraws in month six, but is eligible for a job outcome payment



Example 16-18 v 19-24 traineeship funding

Using likely scenario (10 week traineeship)

Activity	Total hours	Learning aim	Learning aim title	16-18 unweighted funding	19-24 unweighted funding
Induction and work preparation 2 weeks (5hrs x 5 days)	50	Z0003511	Non regulated SFA formula funded provision, Level 1, Preparation for Work, 45 to 68 hrs, PW A	314 hours so in the 280-359 band	£970
Work placement (28hrs x 8 weeks)	224	Z0007837	Work placement (200 - 499 hours)		£724
Maths (2.5hrs x 8 weeks)	20	50123257	L1 Functional Skills in Mathematics		£724
English (2.5hrs x 8 weeks)	20	60001409	L2 Functional Skills in English		£724
				£2,133	£2,418

Excludes learner and provider specific weightings for disadvantage and area cost

Traineeship achievement funding (19-24)

“You will earn the [20%] achievement payment for the work-placement and work-preparation element if evidenced within six months of completing the traineeship when the learner has a positive destination recorded on the ILR, for example, progressing to an apprenticeship, job or further learning as defined in the Funding Rules”

16/17 rules state:

Further learning = “For 19- to 24-year-olds, the study of a qualification that is at least 150 glh at Levels 2 or 3 (or both) and recognised in the performance tables or eligible for funding as part of the ‘entitlement offer’.” else “Progression to a new English and maths qualification which is a level higher than that achieved in the traineeship”

Employment = A job, including being self-employed, that is for at least 16 hours a week and for eight consecutive weeks

Apprenticeship = A start that meets the minimum qualifying days evidenced by ILR records or a self-declaration by the learner.

Funding eligibility

Government contribution table

The level of government contribution we will fund is as follows.

Provision	19- to 23-year-olds	24+ unemployed	24+ other
English and maths, up to and including level 2 (Must be delivered as part of the legal entitlement)	Fully funded*	Fully funded*	Fully funded*
Level 2 (First full level 2 must be delivered as part of the legal entitlement)	Fully funded* (first and full)	Fully funded	Co-funded
Learning to progress to level 2	Fully funded [^] (up to and including level 1)	Fully funded	Co-funded
Level 3 (First full level 3 must be delivered as part of the legal entitlement)	Fully funded* (first and full)	Loan-funded	Loan-funded
	Loan-funded** (previously achieved full level 3 or above)		
Traineeship**	Fully funded (including 16- to 24-year-olds ^{##})	N/A	N/A
English for Speakers of Other Languages (ESOL) learning up to and including level 2	Co-funded	Fully funded	Co-funded
	Fully funded – unemployed		
Learning aims up to and including level 2, where the learner has already achieved a first full level 2 or above	Co-funded	Fully funded	Co-funded
	Fully funded – unemployed		

*Must be delivered as one of the English and maths, and/or first full level 2 or first full level 3 qualifications required as part of the legal entitlements.

[^]Must be delivered as entry or level one provision from local flexibility.

[^]Excludes flexible element where funding depends on age and level.

^{##} 16- to 18-year-old learners must be eligible under the [ESFA's young people's residency requirements](#).

** Availability of loans at level 3 does not replace the legal entitlement to full funding for learners aged 19 to 23.

Wide ESFA definition of unemployed

In addition to fully-funding people who are on JSA, ESA or universal credit...

“Providers may also use their discretion to fund other learners if all of the following apply:

- > The learner receives other state benefits and earn less than 16 times the National Minimum Wage a week or £330 a month.
- > The learner wants to be employed and you are satisfied that the learning is directly relevant to their employment prospects and the local labour market needs.”

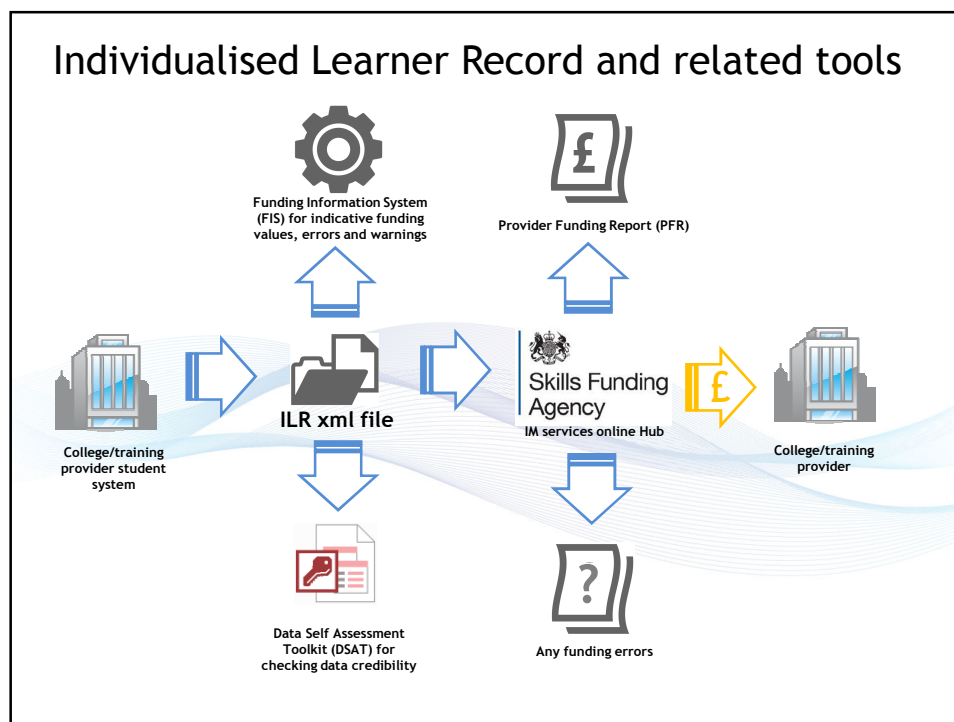
So likely volumes of fully-funded provision will rise

How long before classroom co-funded provision is scrapped?

The ILR and related data tools

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ILR for 2017/18

Specification of the Individualised Learner Record for 2017 to 2018

Version 2

June 2017

Planned learning hours			
Definition	Total planned timetabled hours for learning activities for the teaching year.		
Reason required	The information will be used: - To enable EFA funding for learners - To measure the number of full-time and part-time learners in FE. - To inform future policy development and funding.		
Schema definitions			
XML Element Name	PlanLearnHours		
Field length	4	Data type	xs:int
Minimum occurrences	0	Maximum occurrences	1
Part of	Learner		
Collection requirements			
16-19 EFA (FundModel 25), Adult Skills (FundModel 35), Community Learning (FundModel 10), Non-funded (FundModel 99), Other SFA (FundModel 81)			
Valid entries			
Must contain a value in the range 0 to 9999			
Pattern			
Notes			
This field does not need to be returned for learners undertaking only apprenticeships or only ESF funded learning			
<ul style="list-style-type: none"> This is an annual field: this field must be updated at the start of each teaching year. The hours collected in this field are the planned hours for the learner for the teaching year. 			

<https://www.gov.uk/government/publications/ilr-specification-validation-rules-and-appendices-2017-to-2018>

Beware: an auditor may show an interest if unusual values...

Key ILR fields used by funding software

- > Funding model
- > Learning aim
- > Start date
- > Planned and actual end date
- > Completion status
- > Outcome

Also employment status (ESF match issues)

And how important will the Destination and Progression records become?

Curriculum planning tips

Funding rules for 2017/18: "Providers must respond to the priorities set by local commissioners and other stakeholders, for example, local enterprise partnerships and those combined authorities that will assume responsibility for the AEB from 2018 to 2019 (subject to readiness conditions). Providers should note the AEB will be devolved to the Greater London Authority from 2019 to 2020 (subject to readiness conditions)."

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Using LARS (always check the rates and dates)

<https://hub.fasst.org.uk/Learning%20Aims/Pages/default.aspx>

Non-regulated learning aims categories

Category	LARS Category Ref		Availability by LARS Validity Category / Funding Model				
			16-19 (excluding Apprenticeships), Other 16-19	Adult Skills and OLASS	Community Learning	ESF	Other
			FundModel = 25 or 82	FundModel = 35	FundModel = 10	FundModel = 70	FundModel = 36, 81 or 99
			Validity Category = 16-19_EFA	Validity Category = ADULT_SKILLS; OLASS_ADULT	Validity Category = COMM_LEARN	Validity Category = ESF	Validity Category = ANY
A	23	Non Regulated Provision (Adult Skills formula funded)		Yes		Yes	
B	24	Non regulated English, Maths and ESOL Provision (Adult skills formula funded)		Yes		Yes	
E	27	Non Regulated Provision (not Community Learning or Adult skills formula funded)	Yes				Yes
F	28	Non Regulated Provision (Community Learning)			Yes		Yes (except FundModel = 36)
G	29	Non regulated English, Maths and ESOL Provision (not Adult skills formula funded)	Yes		Yes		Yes (except FundModel = 36)
I	31	Work experience/placement	Yes	Yes Traineeships only		Yes	
J	32	Supported Internship	Yes				
K	33	Programme aim	Yes	Yes			Yes
L	34	ESF				Yes	
M	35	Conversion Codes between Higher National Qualifications					Yes (except FundModel = 36)
O	36	Education Assessments		Yes OLASS only			

Finding non-regulated learning aims

Make sure learning aim has correct:

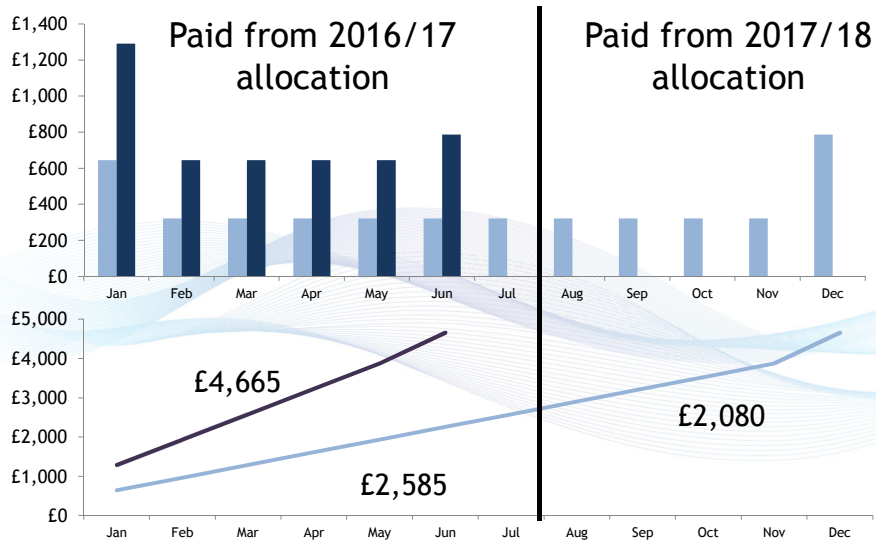
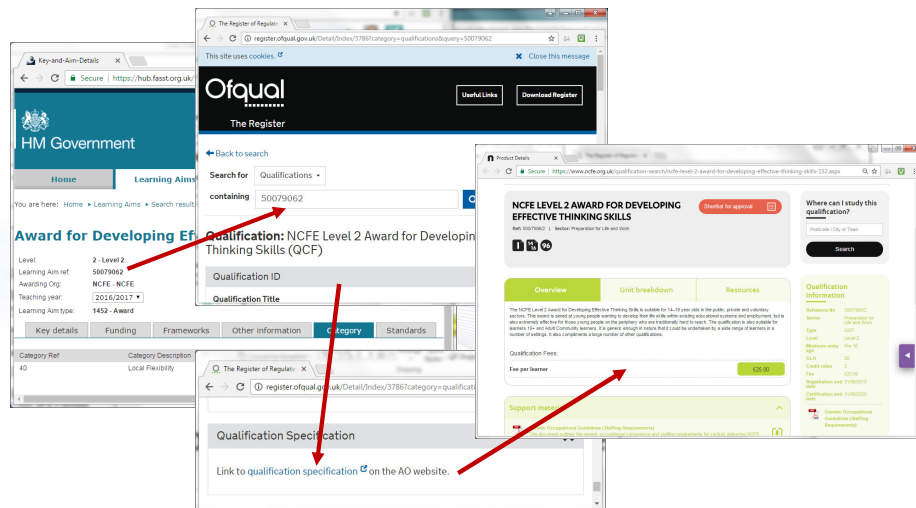
- > Level
- > Sector Subject Area Tier 2 Description
- > Duration band
- > Programme weighting

<https://hub.fasst.org.uk/Learning%20Aims/Pages/default.aspx>

Using Ofqual's register

<http://register.ofqual.gov.uk/>

Combining LARS and Ofqual register to check if fundable and research the qualification



Key planning factors to remember

- > It is a per enrolment funding system (so larger classes usually mean more efficiency)
- > In-year funding rates makes for fair income and expenditure models, but use averages when planning
- > Not every enrolment will be funded as a start and not every start will complete or achieve
- > Curriculum plans need monitoring and adjustment within academic and ESFA financial year constraints

Final Q&A

Nick Linford
Director at Lsect

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