

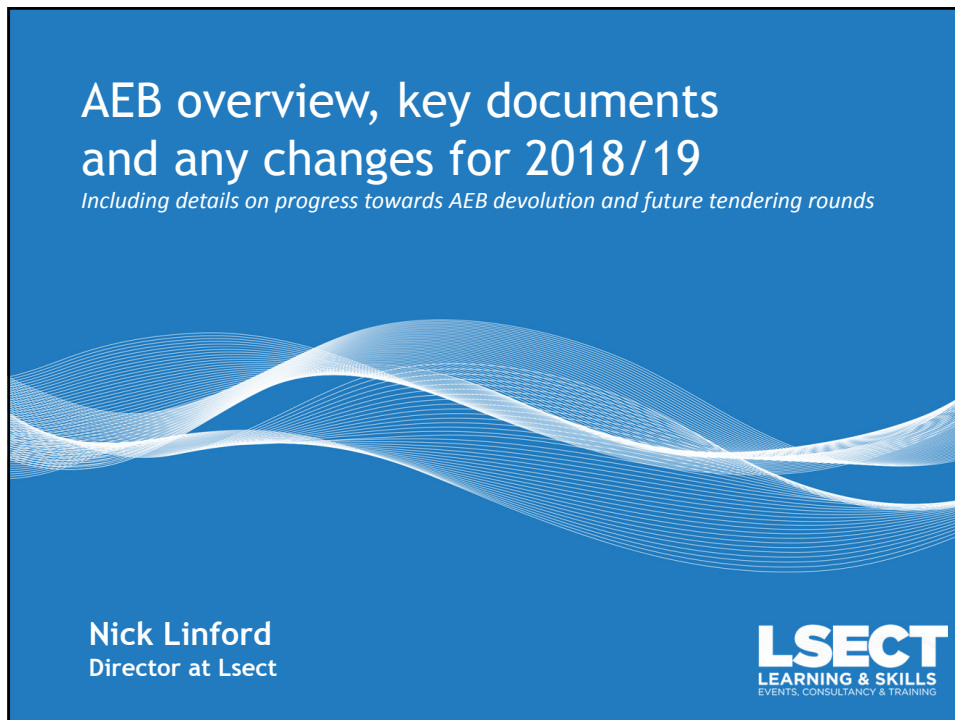
AEB funding rules, rates, performance and profiling 2018/19

Nick Linford
Director at Lsect

LSECT
LEARNING & SKILLS
EVENTS, CONSULTANCY & TRAINING

Agenda

- 10:30 AEB overview, key documents and changes (incl. devolution)
- 11:10 Full-funding entitlements, local flexibility, RARPA, subcontracting rules and navigating complex learner eligibility
- 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 Profiling monthly full and co-funding and the use of a dynamic AEB profiling calculator
- 14:30 AEB performance policies and intervention regime
- 15:00 The ILR and related data tools for AEB in 2017/18 and 2018/19
- 15:30 End



AEB funding pot & purpose (part 1 of 2)

£1.5bn per year, every year until 2019/20. DfE: “This funding’s principal purpose is to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or further learning.”

ESFA also: “It enables more flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, build confidence, and/or enhance their wellbeing”

But also: “Providers must respond to the priorities set by local commissioners and other stakeholders, for example local enterprise partnerships, relevant mayoral combined authorities and the Greater London Authority”

AEB purpose (part 2 of 2)

The DfE also said AEB provision that it broadly four categories:

1. Legal 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

Could you label all your AEB provision this way?

AEB devolution

DfE: “Mayoral Combined Authorities (MCAs) and the Greater London Authority (GLA) will take on more responsibility to deliver quality adult education in their local areas from 2019 to 2020 when adult funding is devolved, subject to agreed readiness conditions”

- 2018/19 transition year
- 2019/20 full devolution to the 9 areas
- In March 2018 7 areas given devolution ‘support’ funds totalling just under £1m
- Likely to mean more tendering
- Lots of unknowns, including future of subcontracting

- A Cambridge & Peterborough
- B Greater London Authority
- C Greater Manchester
- D North of Tyne
- E Liverpool City Region
- F Sheffield City Region
- G Tess Valley
- H West of England
- I West Midlands



Community Learning (CL) within AEB

- Some AEB funded providers have CL funding listed in Appendix 1 of their allocation
- Typically for local authorities and SDIs (ring-fenced at £210m)
- CL is funding model 10, non-formula funded and not included within achievement rate data (QAR or NARTS)
- Grant funded providers (e.g. LAs) can switch some or all CL to formula funded AEB, but not the other way
- Annex B to funding rules stipulate CL objectives

<https://www.gov.uk/government/publications/adult-education-budget-funding-rules-2018-to-2019>

AEB funding rules for 2018/19 (v1 draft)

 Education & Skills
Funding Agency

Adult education budget: funding rules

Draft version

For the 2018 to 2019 funding year (1 August 2018 to 31 July 2019).

This document sets out the funding rules that apply to all providers of education and training who receive adult education budget funding.

March 2018
Of interest to providers and employers

<https://www.gov.uk/government/publications/adult-education-budget-funding-rules-2018-to-2019>

“This document forms part of the terms and conditions of funding”

“You must operate within the terms and conditions of the funding agreement, these rules, and the ILR Specification. If you do not, you are in breach of the funding agreement with the ESFA”

 Education & Skills
Funding Agency

Specification of the Individualised Learner Record for 2018 to 2019

Version 2

March 2018

ILR Learning
Delivery funding
model, code 35
(adult skills) is
the focus of today

<https://www.gov.uk/government/publications/ilr-specification-validation-rules-and-appendices-2018-to-2019>

Summary of main changes since funding rules 2017 to 2018

241. We have highlighted the main changes from the funding year 2017 to 2018 in the table below.
242. Please note this is not an exhaustive list of all changes. You must refer to the ~~main document for the definitive rules, which apply to~~ all providers of education and training who receive funding from the Secretary of State for Education acting through the ESFA.
243. If you have a specific query on the funding rules, please email the SDE.ServiceDesk@education.gov.uk or speak to your provider management manager/advisor.

Section	Paragraph	Change
Eligibility for funding	46 to 49	We have inserted 'persons granted stateless leave' as a new category in order to comply with our obligations under the UN Convention on Stateless Persons, and the Fees and Awards Regulations, which were amended in early 2018.
What we fund	63	We have inserted a paragraph, to mirror a requirement in the apprenticeship funding rules that you must not enrol individuals on learning aims or programmes eligible for AEB funding at the same time as any new apprenticeship.
Definitions used in the adult education budget - Unemployed	145 to 146	We have updated these paragraphs with correct (at the time of publication) individual and household claim values, supplied by the Department for Work and Pensions.
Learning in the workplace	160	We have inserted this paragraph to explain that we will fund legal entitlement qualifications delivered at a learner's workplace.
What we do not fund	162	We have revised this paragraph to explain that you cannot use your AEB allocation to fund learners in custody. We have agreed this with The Ministry of Justice, who fund prison education in England.
Community learning	Information box above paragraph 213, and Annex B	We have inserted an information box and objectives in Annex B to better explain community learning funding policy and have relevant information available in one document.
Learner Support	230	We have changed the basis to which you can claim the 5% admin fee. This must be claimed against your learner support final claim and not your 2015 to 2016 learner support allocation.

<https://www.gov.uk/government/publications/adult-education-budget-funding-rules-2018-to-2019>

Draft rules 47 pages, compared to 57 pages for 2017/18

Few changes, but "The ESFA reserves the right to make changes to these rules."

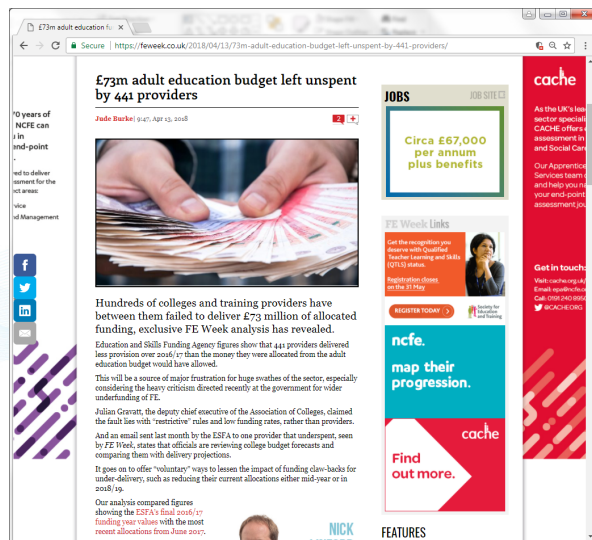
Fewer pages as missing the payments and performance management section (will be added to final version 'in due course')

Changes to over-delivery in 2018/19

ESFA published on 29 March: "On the adult education budget, we continue to maintain levels of investment. Grant provider block grant allocations are rolling-forward from 2017 to 2018 and contract for service provider allocations are being increased from 9-month to 12-month values. Where applicable, we are also consolidating run-down funding into contract for service baselines too. In all cases, allocations will include any growth awarded so far this year. To ensure providers can deliver adult education budget provision with confidence, **we are committing to fund 3% over-delivery at the end of the 2018 to 2019 funding year for all providers.**"

<https://www.gov.uk/government/news/maintained-stability-in-provider-allocations>

Changes to under-delivery?



<https://feweek.co.uk/2018/04/13/73m-adult-education-budget-left-unspent-by-441-providers/>

Current rule for colleges and LAs is that if under-delivery is within 97% then there will be now claw-back

DfE unable to confirm if this rule will remain in place

Two types of AEB allocation

Adult Education Budget (Allocated) = £1.19bn
 'Grant funded providers' = colleges and local authorities
PAID ON PROFILE

Adult Education Budget (Procured) = £95m
 'Contract funded providers' = Not colleges and local authorities (but some grant funded providers successfully tendered for 'procured' AEB)
PAID ON ACTUALS

Allocations for 2018/19 typically equal to or higher than allocation in 2017/18

Note: ESFA allocation list is incomplete (e.g. missing biggest AEB provider of all, Learndirect)

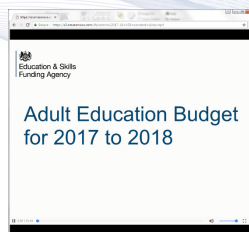
<https://www.gov.uk/government/publications/funding-allocations-to-training-providers-2017-to-2018>

Also...ESFA training materials for 2017/18 may be useful

Slides covering four AEB topics

1. Legal entitlement/local offer/eligibility
2. Traineeships
3. English/maths/ESOL
4. Rates and funding approach

Plus a 30min
'narrated
presentation'



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

Full-funding entitlements, local flexibility, RARPA, subcontracting rules and navigating complex learner eligibility

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Funding eligibility for the learner

In most cases it should be easy to determine eligibility on basis learner being a citizen and resident of a country within the European Economic Area for at least the previous three years on the first day of learning

But can be very complex to determine

Eligibility for funding.....	7
Non-EEA citizens.....	8
Individuals with certain types of immigration status and their family members.....	8
Asylum seekers.....	8
Family members of EU and EEA nationals.....	9
Children of Turkish workers.....	9
Persons granted stateless leave.....	10
Individuals who are not eligible for funding.....	10
Learners in the armed forces.....	11
Learners temporarily outside of England.....	11
Learners who live in Wales, Scotland or Northern Ireland.....	11

And: Learning must be taking place in England and “You must not claim funding where a learner only sits or resits a learning aim assessment or examination and no extra learning takes place.”

Funding eligibility for the course

A course will either be:

1. Ineligible for funding for all or a particular learner, or
2. Eligible for co-funding for all or a particular learner, or
3. Eligible for full-funding for all or a particular learner

For full-funding at level 2 and below, definition of unemployed is:

receiving JSA (incl. NI credits only), ESA in WRAG, Universal Credit and Jobcentre Plus determine as being in All Work-Related Requirements Group, Work Preparation Group or Work-Focused Interview Group

Also, providers can use discretion if learner is receiving other state benefits and earning less than £338 a month and you are “satisfied the learning is directly relevant to their employment prospects and the local labour market needs”

ESFA table of AEB funding contributions by provision type

<https://www.gov.uk/government/publications/adult-education-budget-funding-rules-2018-to-2019>

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 (excluding English and maths) (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** (previously achieved full level 3 or above)	Loan-funded	Loan-funded
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 – unemployed	Fully funded	Co-funded
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 – unemployed	Fully funded	Co-funded

Page 23 of funding rules

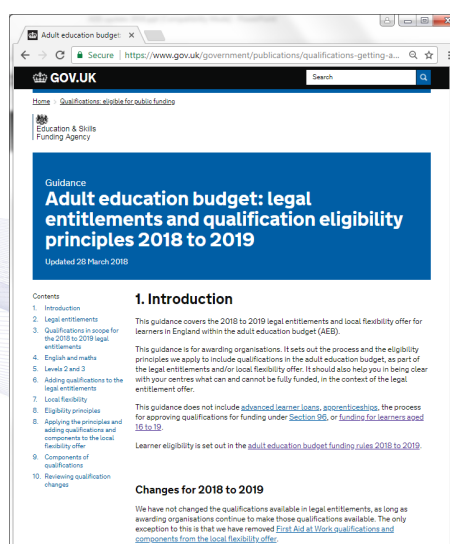
*Must be delivered as one of the English and maths, and/or first full level 2 or first full level 3 qualifications required as part of the legal entitlements.
 ^Must be delivered as entry or level one provision from local flexibility.
 # Excludes flexible element where funding depends on age and level.
 ### 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 undertaking their first full level 3.

Legal entitlements (1 of 2)

The AEB entitlements allow learners aged:

- 19 to 23 to be fully-funded if they study for a first qualification at level 2 and/or level 3
- 19 and over, who have not previously attained a GCSE grade C/grade 4 or higher, to be fully-funded if they study for a qualification in English or maths, up to and including level 2

<https://www.gov.uk/government/publications/qualifications-getting-approval-for-funding/legal-entitlements-and-qualification-eligibility-principles-within-in-the-adult-education-budget>



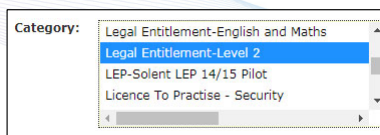
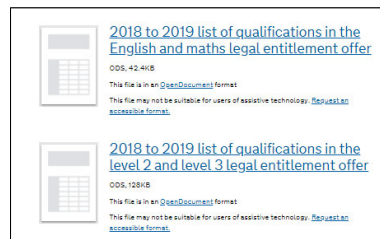
Legal entitlements (2 of 2)

“We will update the level 2 and level 3 legal entitlements offer when the Department for Education (DfE) updates the performance tables every quarter.”

“We have published a list of level 2 and level 3 legal entitlement qualifications. You will also be able to identify qualifications that are part of the level 2 and 3 entitlements in LARs using the following categories: Legal Entitlement - Level 2 only for Legal Entitlement at Level 3”

“You must not charge any course fees.”

<https://www.gov.uk/government/publications/qualifications-getting-approval-for-funding>



Local flexibility (1 of 2)

“Local flexibility is tailored provision for adults. It includes regulated qualifications and their components (units), and/or non-regulated learning, from entry level to level 2.”

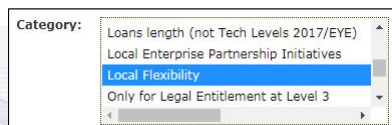
“Within local flexibility, there is also the facility for colleges and training organisations to select to deliver non-regulated learning. We only require delivery of a qualification where a learner exercises their legal entitlement, to a first full level 2 or first full level 3 and/or English and maths.”

“For 2018/2019, we have removed First Aid at Work qualifications and components from the local flexibility offer within the AEF. This is because these qualifications are now all at level 3, and local flexibility only covers learning up to and including level 2.”

Local flexibility (2 of 2)

Two types of local flexibility:

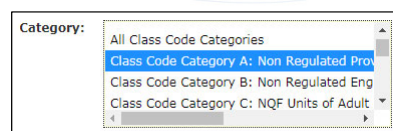
1. Qualifications and components/units learning aim must be in the 'Local Flexibility' category.



2. Non-regulated learning aims must be Category A

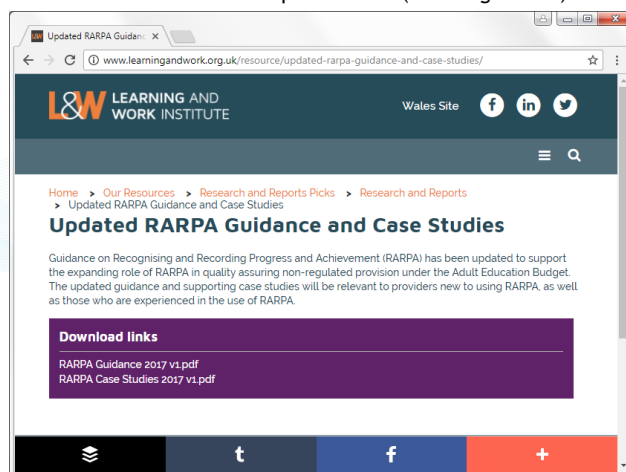
E.g. 20001543 for "Non regulated Adult skills formula funded provision, Entry Level, Preparation for Work, 101 to 196 hrs, PW A"

Or Category B for English, ESOL and maths



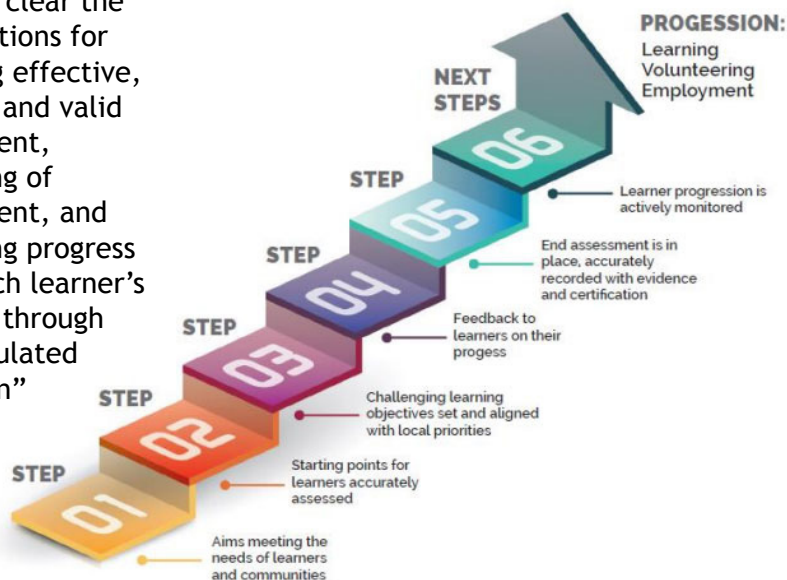
Recognising and Recording Progress and Achievement (RARPA)

For legitimately recording whether a learner passed a course that doesn't have a qualification ('non-regulated')



<http://www.learningandwork.org.uk/resource/updated-rarpa-guidance-and-case-studies/>

“The RARPA process sets out clear the expectations for ensuring effective, reliable and valid assessment, recording of assessment, and capturing progress over each learner’s journey through non-regulated provision”



<http://www.learningandwork.org.uk/resource/updated-rarpa-guidance-and-case-studies/>

Subcontracting

Subcontracting.....	13
Selection and procurement.....	14
Entering into a subcontract.....	15
Terms that you must include in your contracts with delivery subcontractors.....	16
Monitoring.....	17
Second-level subcontracting	17
Reporting subcontracting arrangements.....	17
Distributing income between you and your delivery subcontractors	17

“Your governing body or board of directors and your accounting officer (senior responsible person) must be satisfied that all your delivery subcontracting meets your strategic aims and enhances the quality of your learner offer. You must set out the reasons for subcontracting in your published supply chain fees and charges policy to reflect your strategic aims. You must be able to evidence this, such as minutes of meetings and written sign-off.

You must not subcontract to meet short-term funding objectives.”

Para 83 and 84: <https://www.gov.uk/government/publications/adult-education-budget-funding-rules-2018-to-2019>

The Single Activity Matrix and full or co-funded funding formula


Including tips on finding AEB funding efficiencies, devising fee policies as well as drawing down non-standard funding, such as for ESOL and traineeships



Nick Linford
Director at Lsect

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Funding rates and formula



Education & Skills
Funding Agency

Adult Education Budget
Funding Rates and Formula
2018 to 2019

Version 1
This document sets out the details of the 2018 to 2019 funding system used to fund activity paid for from the Adult Education Budget and 16 to 18 traineeships

March 2018
Of interest to colleges, other training organisations and employers.

“This document sets out the principles and features of our funding system for the 2018 to 2019 funding year (1 August to 31 July). We may make changes to these principles and features during the funding year.”

“There are no changes to how we set funding rates or the funding calculation in the funding year 2018 to 2019.”

<https://www.gov.uk/government/publications/adult-education-budget-funding-rates-and-formula-2018-to-2019>

AEB fully funded formula

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

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

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)

The base rate for the relevant learning aim comes via single activity matrix (SAM)

Funding bands - 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

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 a fixed monthly rate of £150

Finding a fundable qualification base rate on LARS

Category will confirm if part of legal entitlement

Weighted and unweighted base rate listed

Check dates

Category

Adult Skills

Last date for new start: 31/07/2019 Start date: 01/12/2010 End date: 31/07/2022 Created date: 03/02/2014 Modified date: 04/04/2018

Category	Effective From	Effective To	Programme Weighting	Values	Maximum value £
Matrix	01/09/2013	31/07/2022	A	WEIGHTED RATE	724
Matrix	01/09/2013	31/07/2022	A	UNWEIGHTED RATE	724

'Matrix' category for AEB

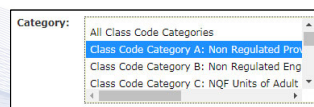
<https://hub.fasst.org.uk/Learning%20Aims/Pages/default.aspx>

Finding a non-qualification (non-regulated) base rate on LARs

Non-regulated learning aims identify the level, sector subject area and SAMs funding hour band

E.g. Z0001543 for “Non regulated Adult skills formula funded provision, Entry Level, Preparation for Work, 101 to 196 hrs, PW A”

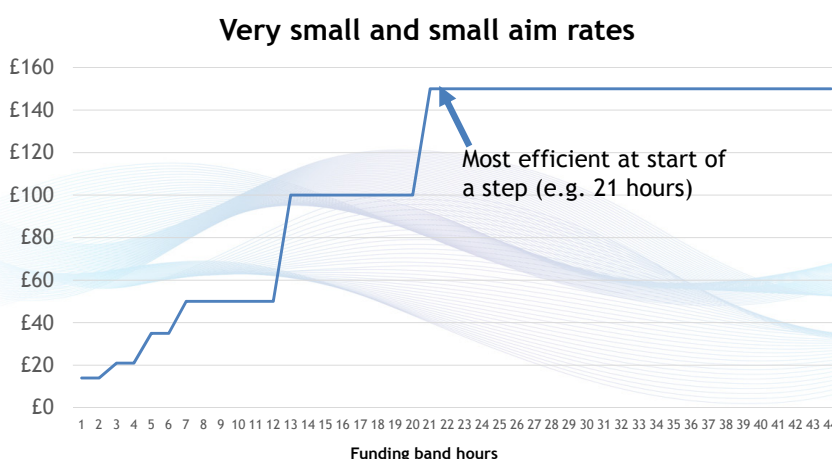
Use the category additional filter to help find category A where it isn't English, Maths or ESOL or category B where it is



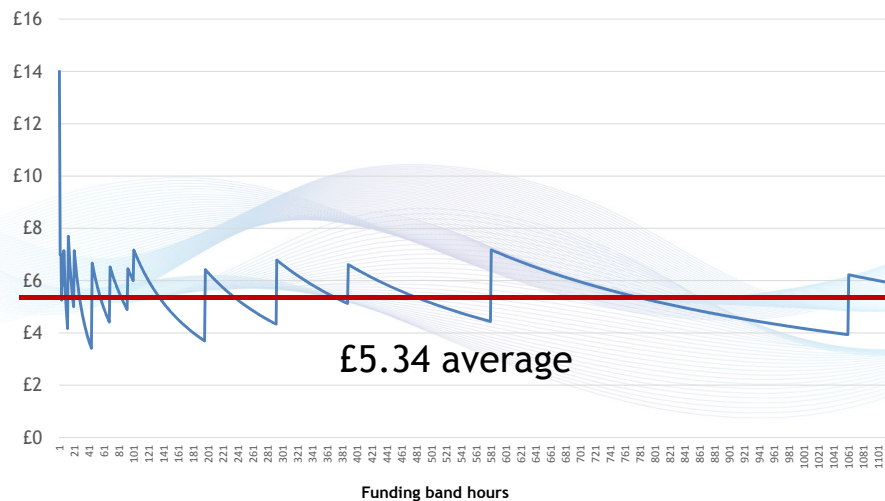
Appendix H for the ILR 2017/18 explains how these and other learning aim class codes are to be used.

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

Example of how bands are efficiency steps



Funding per SAM hour



SAM high and low efficiency points

Funding band 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	-	-

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

Special top-up funding for ESOL

If you deliver more hours for an ESOL qualification than the top of a SAMs hour band you can be funded for the extra

E.g. You deliver 60 hours, on a qualification in band 21 to 44 hours (£150). So you can top up 16 hours.

In the ILR you record 16 hours in the 'Additional delivery hours' field

16 hours is in band 13 to 20 hours (£100), so the funding software makes the base rate £250 for your 60 hour course (£150 learning aim + £100 top-up)

<https://www.gov.uk/government/publications/adult-education-budget-funding-rates-and-formula-2018-to-2019>

<div> <div>Traineeship funding example</div> <div>Using likely scenario (10 week traineeship)</div> </div>				<div>Very different funding between study programmes and AEB</div>	
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 (no funding as must be in LARs category 'Work Preparation - SFA Traineeships')	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 (always, regardless of hours)
Work placement (28hrs x 8 weeks)	224	Z0007837 (LARs category 1 and always £970)	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	50116605	L2 Functional Skills in English		£724
<div>Example shows only base rates (excludes learner and provider specific weightings for disadvantage and area cost)</div>				£2,133	£2,418

Profiling monthly full and co-funding

Including an editable Excel version of the dynamic AEB profiling calculator which will be shared with delegates



Nick Linford
Director at Lsect

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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

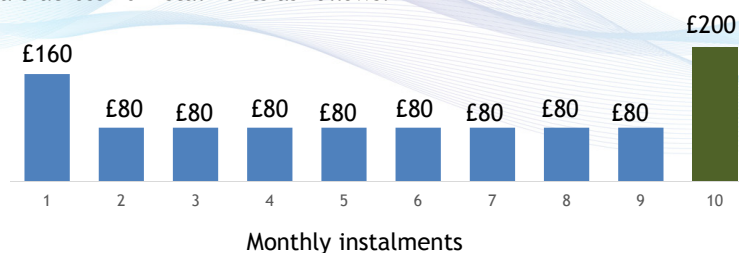
Monthly funding instalments

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 (1 of 2)

“For fully funded learners who are unemployed (including traineeships), we will pay 50% of the achievement payment if they start a job before achieving the learning aim. If the learner then achieves the learning aim, we will pay the remaining achievement payment. The following conditions apply.

- The learner must provide you with evidence through a declaration, that they have a job for at least 16 hours or more a week for four consecutive weeks.
- Where the learner was claiming benefits relating to unemployment they must also declare that they have stopped claiming these.”

Learning delivery employment outcome code 1 or 2 in the ILR to claim the payment, and enrolment would be excluded from achievement rates

Para 240: <https://www.gov.uk/government/publications/adult-education-budget-funding-rules-2018-to-2019>

Job outcome payment (2 of 2)

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



Dynamic profiling your AEB...

See demo

Calculator will be shared with
delegates via email

Key planning factors to remember

- > It is a per enrolment funding system (so larger classes usually mean more efficiency)
- > In-year funding methodology (such as disadvantage uplift) 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

AEB performance policies and intervention regime

Including the calculation of retention, pass and achievement rates as well as minimum standards

Nick Linford
Director at Lsect



In-year AEB performance management (two points for AEB, both with opportunities to request growth)

	Performance-management point 1 (growth only, no reductions)	Performance-management point 2 (16 to 18 traineeships growth and reduction only)	Performance-management point 3 (growth and reductions)
Growth funding that can be requested	For periods 1 to 12 <ul style="list-style-type: none"> 16 to 18 traineeships AEB provision (existing block grant) For periods 4 to 12 <ul style="list-style-type: none"> AEB provision (new contracts) 	For periods 1 to 12 <ul style="list-style-type: none"> 16 to 18 traineeships 	For periods 9 to 12 <ul style="list-style-type: none"> 16 to 18 traineeships AEB provision (existing block grant and new contracts)
Growth form published	18 October 2017	12 January 2018	18 April 2018
Tolerance for under-delivery	N/A	6%	3%
Lower threshold for contract value adjustments	N/A	£25,000	£25,000
Growth requests to be received by	27 October 2017	26 January 2018	2 May 2018
Delivery information using the latest validated ILR data you provide	6 November 2017	5 January 2018	4 May 2018
Cases for increasing or reducing contract values reviewed by	22 November 2017	2 February 2018	18 May 2018
Decision to approve or reject increases and reductions by	27 November 2017	17 February 2018	25 May 2018
Providers told the outcome of our performance-management process from	28 November 2017	19 February 2018	31 May 2018

Waiting to hear if same for 2018/19

Qualification Achievement Rates (QARs)

Terminology

Cohort = Enrolment for a leaver in the relevant academic year

Retention rate = % of cohort that completed (finished the course)

Pass rate = % of completed that fully passed

Achievement rate = % of cohort that passed

Calculation

Retention rate = $\frac{\text{Retained}}{\text{Cohort}}$

Pass rate = $\frac{\text{Passed}}{\text{Retained}}$

Achievement rate = $\frac{\text{Passed}}{\text{Cohort}}$
Or same answer with
 $\text{Retention rate} \times \text{Pass rate}$

<https://www.gov.uk/government/publications/qualification-achievement-rates-2017-to-2018>

National Achievement Rate Tables (NARTs)

Age	Overall Cohort	Retention Rate %	Pass Rate %	Overall Achievement Rate %
16-18	1,667,690	89.9	90.6	81.5
19+	1,433,930	92.5	93.9	86.9
All Age	3,101,620	91.1	92.2	84.0

2016 to 2017 education and training NARTs overall headline

2016 to 2017 education and training NARTs overall institution

2016 to 2017 education and training NARTs overall qualifications

2016 to 2017 education and training NARTs overall exclusions

2016 to 2017 education and training NART overall GCSE pass rate and achievement rate

You can compare your rates to other providers (by type or in the region) - can help with both benchmarking and marketing

<https://www.gov.uk/government/statistics/national-achievement-rates-tables-2016-to-2017>

Minimum standards (MS)

Table 1: Minimum Standards thresholds for 2016 to 2017

Qualification Type	Threshold (%)
Apprenticeships (framework or standard)	62
Access to HE	70
A-Levels	75
AS-Levels	63
Award	80
Certificate	80
Diploma	70
ESOL	70
Basic Skills Maths and English	63
GCSE Maths and English	75
GCSE Other	75
Other non-Regulated	85
Other Regulated	70
QCF Unit	85

<https://www.gov.uk/government/collections/qualification-achievement-rates-and-minimum-standards>

Typically, MS thresholds are published after the relevant year has ended

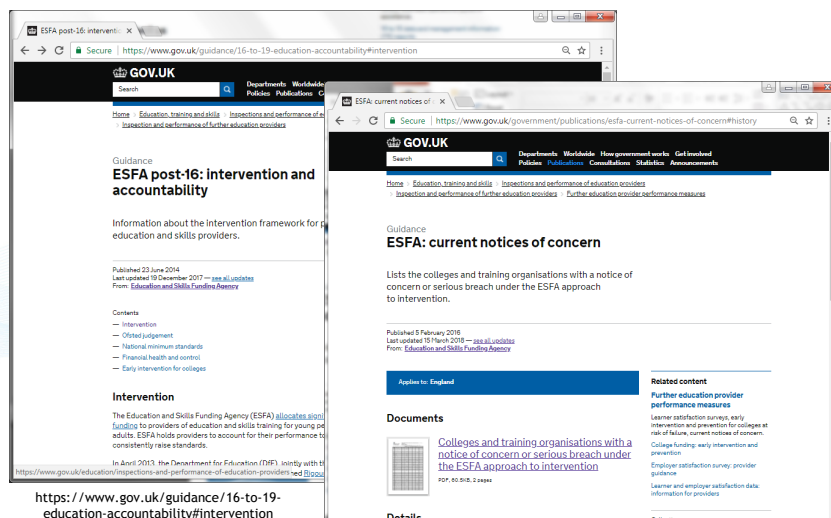
QAR and MS reports can be downloaded from the Hub.

If more than 40% of the total cohort is below threshold the provider will be in scope for intervention

Understanding the difference between a threshold (varies by qual type) and the tolerance (40%) is key

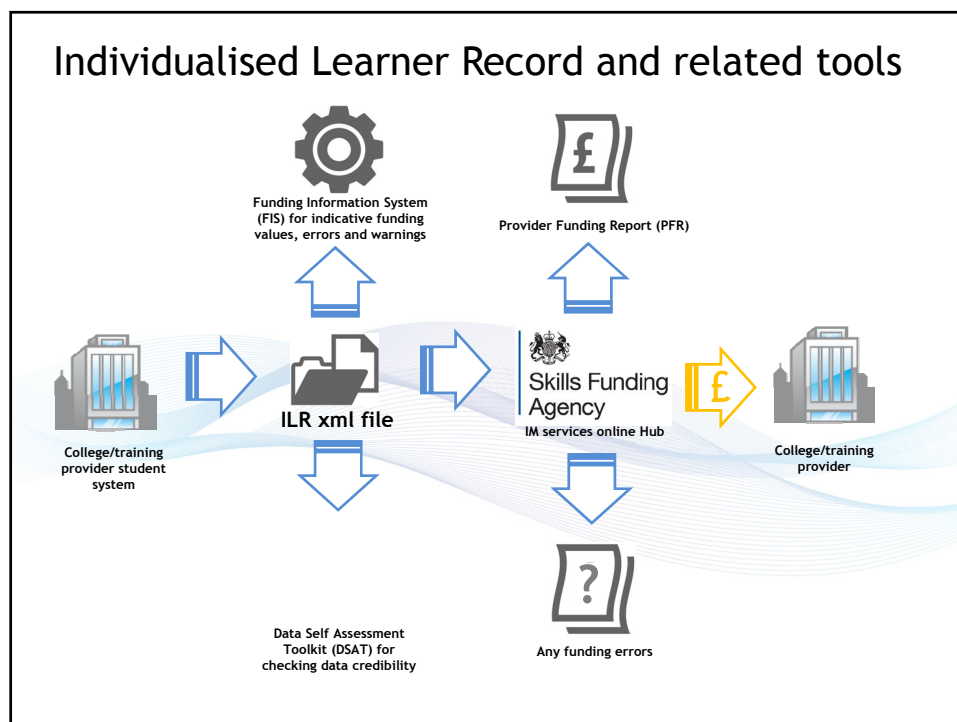
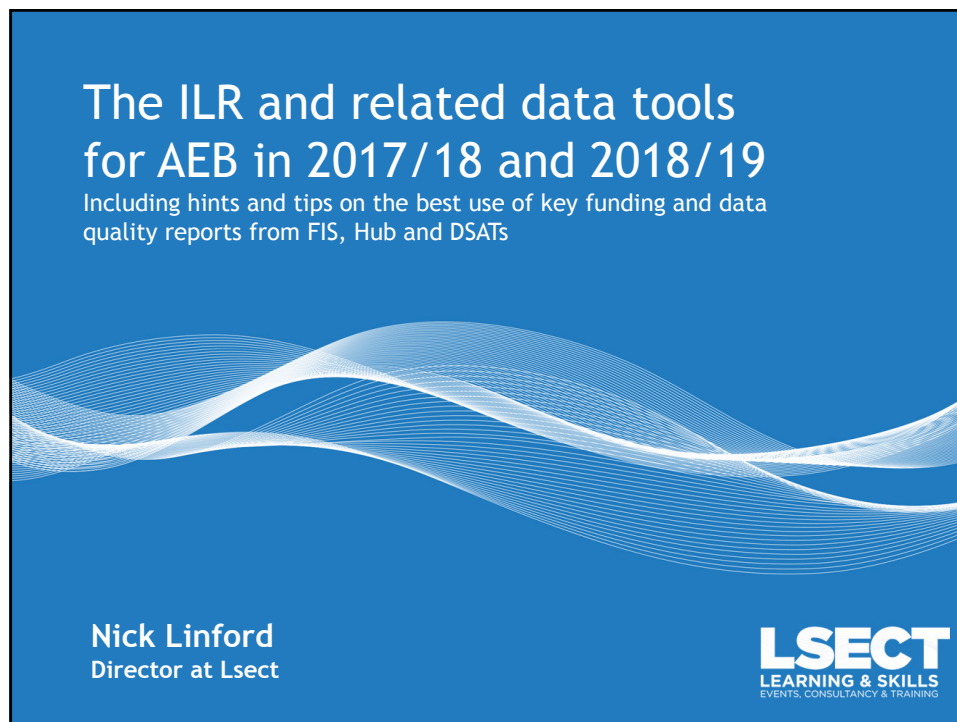
You want to be above the threshold and below the tolerance

Intervention (including for failing MS)

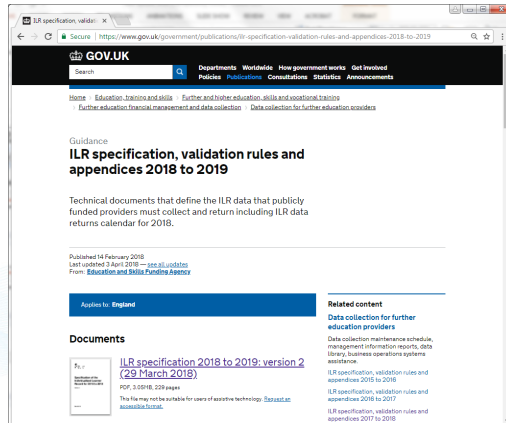


<https://www.gov.uk/guidance/16-to-19-education-accountability#intervention>

<https://www.gov.uk/government/publications/esfa-current-notices-of-concern#history>



Individualised Learner Record in 2018/19



Three relevant changes to for AEB

- New 'Campus Identifier' field for college groups
- 'Contact preference codes' changed to be opt ins rather than opt outs
- New 'Employment status monitoring codes' to record hours employed per week

<https://www.gov.uk/government/publications/ilr-specification-validation-rules-and-appendices-2018-to-2019>

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?

Funding Information System

Import an ILR for error/warning and funding reports - but where possible use the Hub as more likely to be accurate and comprehensive



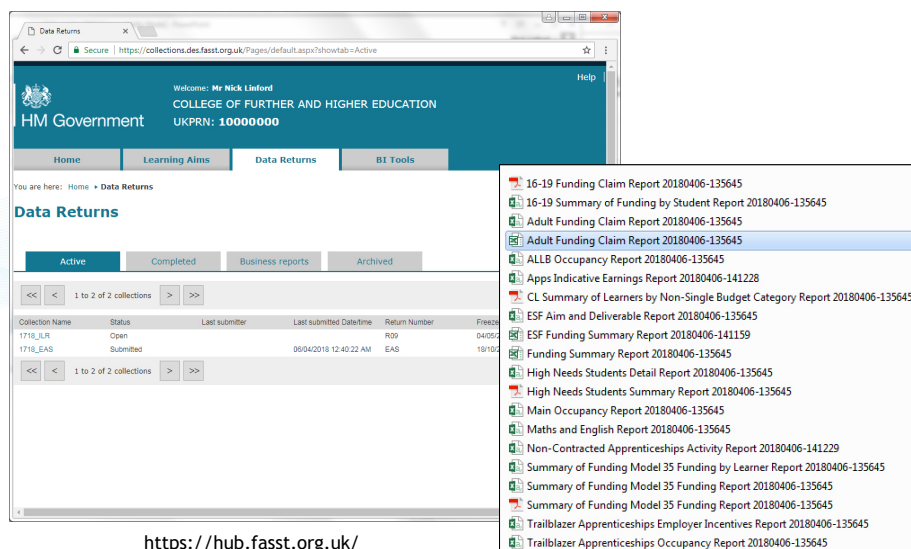
Two key advantage with FIS

1. Unlike the Hub it is always available to run an ILR
2. You can produce a database which includes funding values and calculations

The Hub (for error/warning and funding reports)

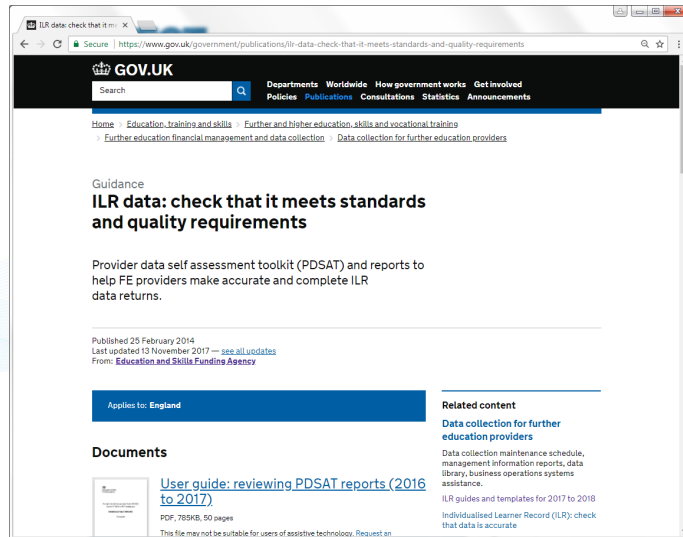
ILR return deadline is 6th working day of every month at 6pm

Grant funded (R04, R06, R10, R13 and R14). Contract funded every month



<https://hub.fasst.org.uk/>

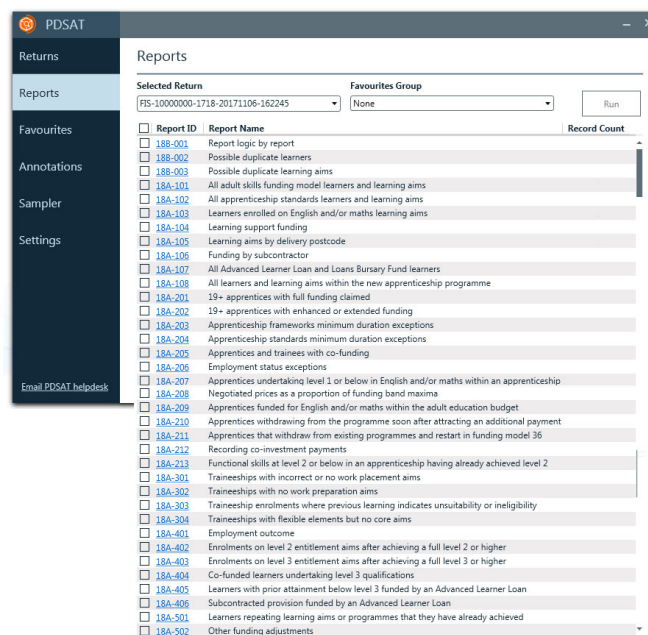
Provider Self Assessment toolkit (PDSAT)



<https://www.gov.uk/government/publications/ilr-data-check-that-it-meets-standards-and-quality-requirements>

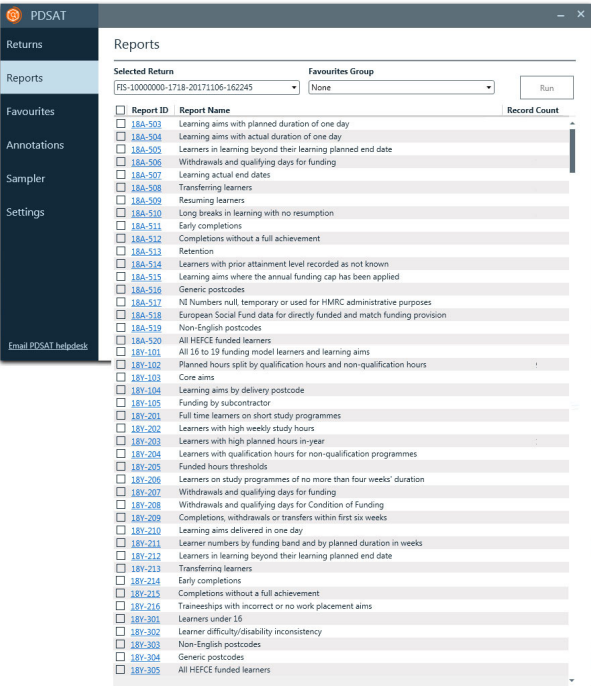
There
are
currently
80 PDSAT
reports

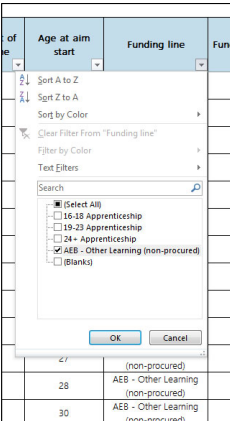
First 36
here



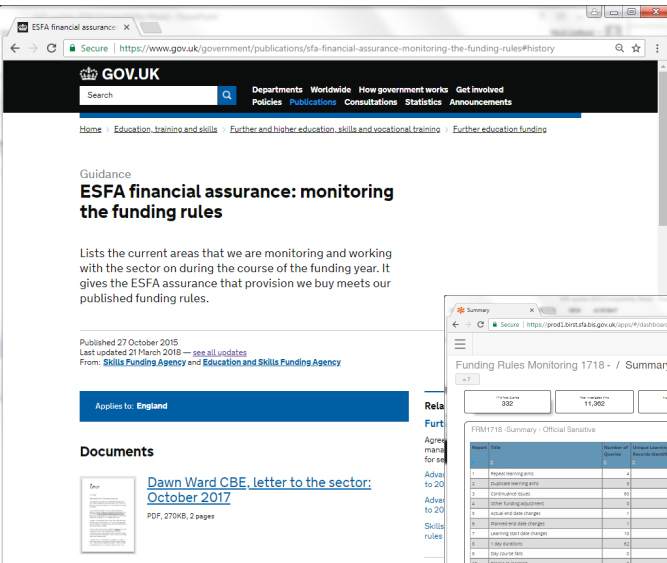
Remaining 44 here

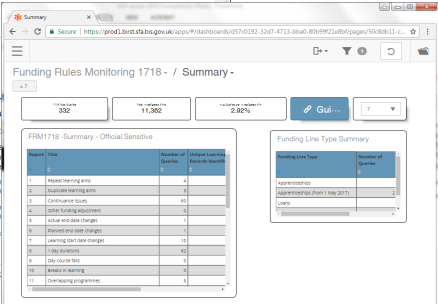
They cover the full ILR, and with most you can filter for AEB





Funding and monitoring reports (on Hub)





<https://www.gov.uk/government/publications/sfa-financial-assurance-monitoring-the-funding-rules>

Financial Assurance (audit regime)

The screenshot shows a web browser displaying the GOV.UK website. The address bar shows the URL: <https://www.gov.uk/government/publications/sfa-financial-assurance-funding-assurance-review-...>. The GOV.UK logo is at the top left. Below it is a search bar and a navigation menu with links: Departments, Worldwide, How government works, Get involved, Policies, Publications, Consultations, Statistics, and Announcements. The main content area has a breadcrumb trail: Home > Education, training and skills > Further and higher education, skills and vocational training > Further education financial management and data collection > Financial management for further education providers. The title of the page is 'SFA financial assurance: funding assurance review programmes'. Below the title is a paragraph: 'How the Agency selects colleges for funding assurance reviews and how the related documents will be used by the SFA and appointed auditors.' There is a publication date: 'Published 7 March 2014' and a last update date: 'Last updated 3 August 2017 — see all updates'. Below this is a link: 'From: Skills Funding Agency and Education and Skills Funding Agency'. A blue box contains the text 'Applies to: England'. Under the heading 'Documents', there is a link: 'Adult skills budget funding assurance'.

SFA financial assurance: funding assurance review programmes

How the Agency selects colleges for funding assurance reviews and how the related documents will be used by the SFA and appointed auditors.

Published 7 March 2014
Last updated 3 August 2017 — [see all updates](#)
From: [Skills Funding Agency](#) and [Education and Skills Funding Agency](#)

Applies to: [England](#)

Documents

[Adult skills budget funding assurance](#)

Assurance review documentation for the funding year 2016 to 2017

This [zip file](#) contains documentation that the ESFA's Provider Risk and Assurance team and other appointed auditors will use to audit the current apprenticeship programme, adult education programme, 16 to 19 provision and advanced learner loans for a sample of providers and to give their opinion on whether they comply with the funding rules. It includes guidance notes for PDSAT users on how to review PDSAT report output.

Financial Assurance (working papers)

AEB audit issues

Funding rules 2016 to 2017 (documents current as at January 2017)									
No	Test	Issue	Critical Factor	References	App Fwks	T'ships	Other AEB		
1	Does evidence exist to confirm that the learner is eligible for SFA funding?	i) Eligibility for funding	The learner satisfies the SFA's eligibility criteria.	SFACOM: A17 to A25, A89.2, A90, A107 to A134, Annex A	Yes	Yes	Yes		
2	Is the learner eligible for the programme(s) and has/have the programme(s) been correctly identified and coded?	i) Employed status	Apprentices are employed (except alternative completion conditions).	APPCOM: B3 APPPFWK: C3	Yes				
3		ii) Correct funding rate	The funding rate claimed (16-18, 19-23, 24+) is consistent with the learner's age and circumstances at the start of the programme.	APPPFWK: C11, C14 to C16 FRF: 42	Yes				
4		iii) Minimum hours of employment	Apprentices are employed for at least 16 hours per week.	APPCOM: B18.1, B18.5.1, B18.5.6, B19, B20, B22	Yes				
5		iv) Planned duration for part-time programme	The planned duration of the programme has been extended accordingly to account for the learner's part-time hours.	APPCOM: B18.5.4, B28	Yes				
6		v) Prior attainment at level 4	The learner with prior attainment at level 4 is undertaking a higher apprenticeship at level 5 or above, except for apprentices that were funded by a loan when they started and have become grant funded.	APPPFWK: C12	Yes				
7		vi) Alternative completion conditions	Unemployed and self-employed apprentices must satisfy alternative completion conditions to be eligible.	APPCOM: B9 APPPFWK: C4 to C6	Yes				
8	Is the programme as designed eligible for funding and is the correct funding being claimed?	vii) Traineeship eligibility	The learner satisfies the specific eligibility criteria for the traineeship programme.	SFACOM: A89.3 AEB: E33, E44 to E46		Yes			
9		Full/Co-funding	Claims for full or co-funding are supported by an assessment of the learner's circumstances and the learner has confirmed that they are eligible for a financial contribution from the government where applicable.	SFACOM: A89.7, A89.10, A90 APPPFWK: C11, C14 AEB: Level of government contribution box (p4), E4 to E9, E11, E13 to E15, E24, E28 to E33, E35 to E36, E38, E43	Yes	Yes	Yes		

