

Essential guide to AEB funding and formula in 2020/21

10 June 2020

Nick Linford
Director at Lsect

LSECT
LEARNING & SKILLS
EVENTS, CONSULTANCY & TRAINING

Agenda

12:00 - 14:30

Warning
Technical training

Topics covered:

1. AEB overview, key documents and changes for 2020/21
2. AEB devolution - key differences from ESFA and changes for 2020/21
3. Funding eligibility and evidence
4. Full-funding entitlements and local flexibilities
5. Funding formula and rates for full and co-funding (incl. Single Activity Matrix)
6. Funding additional hours for ESOL
7. Using the Learning Aims Reference System
8. Creating an AEB course dynamic funding profiler
9. Key ILR issues and related tools in 2020/21 (incl ESFA portals and FIS)
10. Funding audit for AEB and the use of the PDSATs

All slides and a recording of this webinar will be sent to attendees after the webinar

1. AEB overview, key documents and changes for 2020/21

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AEB overview

ESFA for 2020/21: “ESFA funded AEB aims to engage adults and provide the skills and learning they need to progress into, or within, work or equip them for an apprenticeship or other learning. 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.” This includes 19 to 24 year-old traineeships

- > ESFA allocate around £1.3bn every year to providers
- > Devolved authority areas allocate around £600m every year
- > Grant funded providers (typically colleges and LAs) do not tender
- > Contract funded providers (typically ITPs) tender - sometimes referred to as ‘procured AEB’

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2020-to-2021>

AEB purpose

In past DfE said AEB provision fits 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?

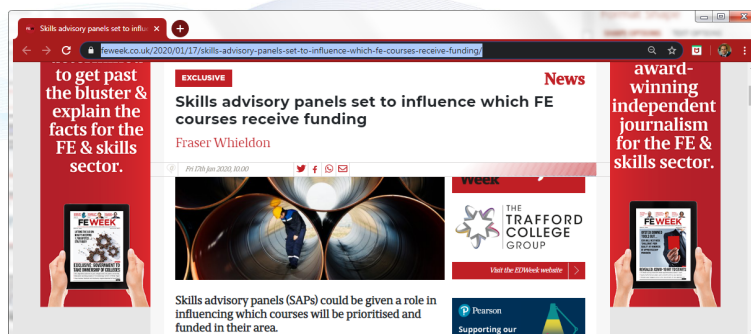
Who decides the AEB course priorities?

2019/20 rules

3. Providers must respond to the priorities set by local commissioners and other stakeholders, for example, local enterprise partnerships and their [Skills Advisory Panels](#).

2020/21 rules

3. Providers must have due regard to the skills analysis and priorities of Local Enterprise Partnership(s) and their Skills Advisory Panels.

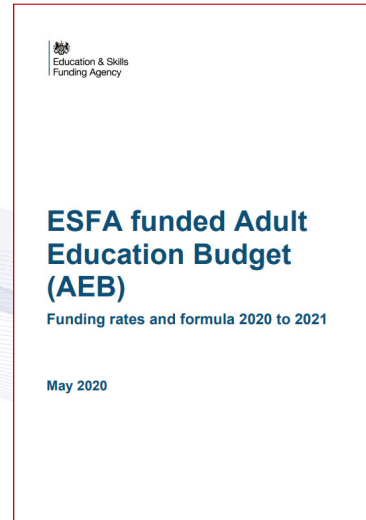


<https://feweek.co.uk/2020/01/17/skills-advisory-panels-set-to-influence-which-fe-courses-receive-funding/>

AEB funding documents for 2020/21



<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>



<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2020-to-2021>

Changes for 2020/21



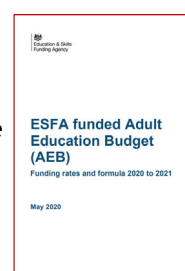
ESFA: “We know that providers are working through exceptional circumstances due to Coronavirus (COVID19). We may publish further updates to this guide about the impact of COVID-19 on our funding rules as these become clear. We will tell you about any changes in our ESFA update.”

Summary of main changes since funding rules 2019 to 2020

- 265. We have highlighted the main changes made in this document compared to the final version we published for 2019 to 2020 in the table below.
- 266. 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.
- 267. If you have a specific query on the funding rules, please use the enquiry form or speak to your provider management manager/advisor.

<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

“There are no changes to how we set funding rates or the funding calculation in the 2020 to 2021 funding year”



<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2020-to-2021>

North of Tyne (Newcastle, North Tyneside and Northumberland local authorities) added to devolved authorities. £22.7m of which £6m went to tender

Funding rule summary of changes (1 of 3)

Section	Paragraph	Change
Devolution of adult education functions section and relevant paragraphs in section 1 and 2	Devolution of adult education functions – Page 5, 6 and para 27.2	We have updated these sections to include the Order made for the transfer of education functions and associated budget to Newcastle upon Tyne, North Tyneside and Northumberland Combined Authority.
Introduction and purpose of the document	22 – this document	Contact details have been updated and now includes an enquiry form
Who we will fund	28 – this document	The devolution postcode checker for learner residency has been linked to paragraph 28.
Individuals with certain types of immigration status and their family members	Para 44 – this document	Additional text has been added by the Home Office to clarify evidence for immigration permission.
Individuals who are not eligible for funding	55 – this document	Updated to reflect current legal position, Fees and Awards Regulations 2007 are no longer relevant and the eligibility categories in the funding rules are broader, the regulations do not add value to the rules and have been removed.
Fees and charging	65 – this document	Paragraph added to make it clear that you must not exceed the fully funded rate for the learning aim when charging learners who are co-funded

<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

Funding rule summary of changes (2 of 3)

What we will not fund	79.6 – this document	We have made it clear that legacy GCSE grade C or higher is the equivalent of a grade 4 or higher under the new grading scheme.
Subcontracting	83 to 118.7 – this document	This section has been reorganised for clarity, no paragraphs have changed or been removed.
Evidence	124 – 150.	We have removed all references to 'learner file' and replaced them with 'evidence pack' for accuracy. Minor drafting changes have been made for clarity and has not changed policy.
Unemployed definition	157.3 , 158.1 and 158.2	We have updated these paragraphs in line with the definition. For clarity, references to 'earned income' have been replaced with 'take-home pay'.
Full level 2 and English and maths for those aged 19 or older	162.1 and 178 – this document	We have made it clear that legacy GCSE grade C or higher is the equivalent of a grade 4 or higher under the new marking scheme.

<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

Funding rule summary of changes (3 of 3)

Full level 3	65 – this document	Updated for clarity.
Eligible qualifications	168 – this document	This paragraph has been added to clarify your role where you deliver eligible qualifications and/or their components.
Digital Skills for those aged 19 and over		This is a new section under construction
English for speakers of other languages (ESOL)	192 – this document	Paragraph added to clarify that we will fund ESOL learning up to and including Level 2.
Learning support	221 to 222– this document	Paragraphs revised for clarity when claiming learning support.
Learner support	237 to 238 this document	Paragraphs revised for residential support funding

<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

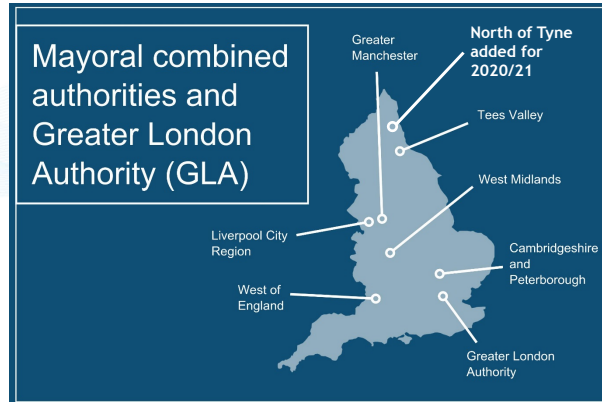
2. AEB devolution - key differences from ESFA and changes for 2020/21

Nick Linford
Director at Lsect

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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”



Example of devolved funding docs & different rates from ESFA

Performance management

Audit and assurance

GLA systems and payments

Subcontracting

Guidance documents for academic year 2019/2020

Guidance documents for academic year 2020/2021

Guidance for all providers

- [Draft GLA AEB Funding Rates and Formula 2020/21](#)

Guidance for grant providers

- [Draft GLA AEB Grant Funding and Performance Management Rules 2](#)

Guidance for procured providers

- [Draft GLA AEB Procured Funding and Performance Management Rules](#)

Section	Paragraph	Change
Introduction and purpose of the document	Para 2	<p>In 2020 to 2021, the GLA's AEB programme will only pay an amount different to the ESFA's national programme under the following circumstances:</p> <ul style="list-style-type: none"> • we will fully fund some British Sign Language learning aims, which the ESFA may in some circumstances co-fund; • we will fully fund some in work learners that the ESFA would co-fund; • we will increase funding for English and maths legal entitlement qualifications at Levels 1 and 2; and • we will fully fund teaching and learning support staff to deliver improved specialist provision for learners with SEND within the adult/further education sector. <p>These circumstances are laid out in more detail in the GLA's Adult Education Budget Funding and Performance Management Rules documents (The Rules).</p>
Funding Rates	Para 47	<p>For all providers, we will provide an additional funding uplift for fully-funded Level 1 and Level 2 English and maths learning aims under the legal entitlement. The value of this uplift will be £77 for each funded enrolment. This is a flat rate increase for all eligible enrolments that will be flagged in the ILR using DAM code X, and claimed in the Earnings Adjustment Statement.</p>

<https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/adult-education-budget/information-gla-aeb-providers#acc-i-60652>

Low wage differences

ESFA
£17,004
up from
£16,009.50
in 2019/20

GLA
£20,962
up from
£20,572
in 2019/20

Learners in receipt of low wage

159. You may fully fund learners who are employed, or self-employed, and would normally be co-funded for provision, up to and including level 2. You must be satisfied the learner is both:

159.1. eligible for co-funding, and

159.2. earns less than £17,004.00 annual gross salary

160. You must have seen evidence of the learner's gross annual wages in these circumstances. This could be a wage slip or a Universal Credit statement within 3 months of the learner's learning start date, or a current employment contract which states gross monthly/annual wages. Please note this is not an exhaustive list, but you must evidence your decision to award full funding to an individual who would normally be eligible for co-funding.

161. You must use LDM code 363 and FFI code 1 to claim full funding for learners who meet the requirements set out in paragraph 159.

Paragraph 152.2 – Revision to Text (March 2020)

Original Text (August 2019)

earns less than the London Living Wage as an annual gross salary on the date of the learner's learning start date. Learners will be deemed to earn less than the London Living Wage as an annual gross salary if they earn less than the hourly London Living Wage at that point in time, multiplied by 37.5 (hours per week), multiplied by 52 (weeks per year). Based on the 2018/19 London Living Wage, this would be £20,572, but AEB Procured providers will need to check the updated rates each year.

Revised Text (March 2020)

Amended using the updated London Living Wage: "earns less than the London Living Wage as an annual gross salary on the date of the learner's learning start date. Learners will be deemed to earn less than the London Living Wage as an annual gross salary if they earn less than the hourly London Living Wage at that point in time, multiplied by 37.5 (hours per week), multiplied by 52 (weeks per year). Based on the **2019/20** London Living Wage, this would be **£20,962**, but AEB Procured providers will need to check the updated rates each year.

Exceptions to devolution

Ministers have agreed that for a period of two years (2019 to 2020 and 2020 to 2021) providers that meet the following criteria will be funded nationally:

- qualify for a financial residential uplift for their learning provision, and
- receive more than two thirds of their income from AEB funding, and
- predominantly target the most disadvantaged learners

In the 2020 to 2021 funding year this excludes the 19-24 traineeship programme, funding to support learners resident in North of Tyne who are continuing their learning from 2019 to 2020 and learners who attend a provider that will be funded nationally because they meet the criteria above.

As a result of the above changes, the content and requirements set out in this document **only** apply to:

- individual's resident in areas of England outside of the devolved authority areas undertaking ESFA funded AEB provision
- continuing AEB funded learners resident in North of Tyne devolved authority area, who have not completed their learning by 31 July 2020
- learners resident in England attending providers who meet the specified criteria above and will be funded nationally in 2019 to 2020 and 2020 to 2021
- learners resident in England, including those resident in a devolved authority area, undertaking a 19 to 24 traineeship programme

3. Funding eligibility and evidence

Nick Linford
Director at Lsect

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Funding rules

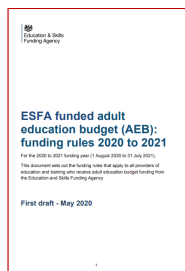
“This document forms part of the terms and conditions of funding and you must read them in conjunction with your funding agreement. You must operate within the terms and conditions of the funding agreement, these rules, and the Individualised Learner Record (ILR) specification. If you do not, you are in breach of your funding agreement with us.”



<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

Residency eligibility

Residency eligibility	11
Non-EEA citizens	12
Individuals with certain types of immigration status and their family members	13
Asylum seekers	13
Family members of EU and EEA nationals	14
Children of Turkish workers	14
Persons granted stateless leave	15
Individuals who are not eligible for funding	15

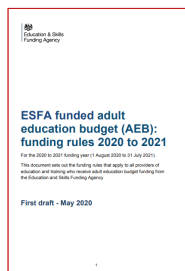


<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

Identify an eligibility lead at the provider to make the final decision and liaise with Home Office where needed

Evidence requirements

Evidence	29
Evidence Pack	30
Confirmation and signatures	31
Starting, participating and achieving	32
Leaving learning	32
Individualised learner record (ILR)	32
Self-declarations by learners	33



<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

“The evidence pack must contain evidence to support the funding claimed and must be available to us if we need it.”

Subcontracting

Your policy for delivery subcontracting	21
Review and publication of your policy for delivery subcontracting	22
Minimum content requirements for your policy for delivery subcontracting	22
Selection and procurement of your delivery subcontractors	23
Entering into a delivery subcontract	25
Terms that you must include in your contracts with delivery subcontractors	26
Monitoring of your delivery subcontractors and subcontracted provision	27
Second-level delivery subcontracting	28
Reporting your subcontracting arrangements	28

“Please note this section is subject to potential further amendments and clarifications. These changes are likely to be made in further iterations of this document.”

4. Full-funding entitlements and local flexibilities

Nick Linford
Director at Lsect

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Legal entitlements = fully funded

ESFA funded AEB supports 3 legal entitlements to full funding for eligible adult learners. These are set out in the [Apprenticeships, Skills and Children's Learning Act 2009](#), and enable eligible learners to be fully funded for the following qualifications:

- English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade 4 (C), or higher, and/or
- first full qualification at level 2 for individuals aged 19 to 23, and/or
- first full qualification at level 3 for individuals aged 19 to 23

“If an individual meets the legal entitlement eligibility criteria, you must not charge them any course fees.”

Legal entitlement eligible qualifications

New website

Spreadsheet download

<https://www.qualifications.education.gov.uk/Home/Downloads>

The screenshot shows the 'Qualification Search' page on the ESFA website. The search results for 'OCR Entry Level 2 Functional Skills Mathematics' are displayed. Below the search results, there is a table with the following data:

Qualifications Offer	Funding Approval Start Date	Funding Approval End Date	Notes
Age 14-16	01/09/2019	31/07/2021	
Legal Entitlement English and Maths	01/09/2019	31/07/2021	

<https://www.qualifications.education.gov.uk/Search>

Local flexibility

ESFA funded AEB also supports delivery of flexible tailored provision for adults, including qualifications and components of these **and/or** non-regulated learning, up to level 2 – we call this 'local flexibility'.

Local flexibility provision either is fully or co-funded, depending on the learner's age, prior attainment and circumstances. Please refer to the '[level of government contribution](#)' table on page 36 and paragraphs 157 to 199 for learner eligibility. Where appropriate for the learner, you can deliver local flexibility provision alongside a legal entitlement qualification.

“Learners aged 19 to 23 progressing towards their first full level 2, must undertake learning at entry and/or level 1 only from local flexibility”

Learner contributions

Learners aged 19 to 23 who progress to their first full level 2, must only enrol on a qualification from the legal entitlement list

Learners aged 19 to 23 and aged 24 and over, who have already achieved at level 2, or above can undertake learning up to and including level 2 qualifications from the local flexibility offer or qualifications in the level 2 legal entitlement list

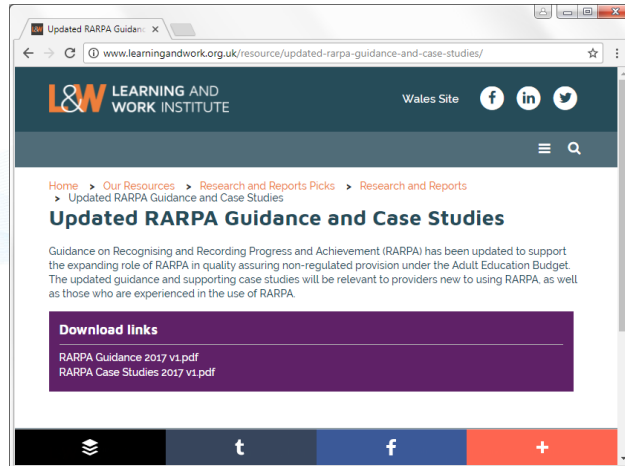
Learners aged 24 and over who have not achieved a level 2 qualification can undertake learning up to and including level 2 qualifications from the local flexibility offer or qualifications in the level 2 legal entitlement list

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	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		
Learning aims up to and including level 2, where the learner has not achieved a first full level 2, or above	N/A	Fully Funded	Co-funded+

*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.
 + Low wage flexibility may apply, refer to paragraph 159.

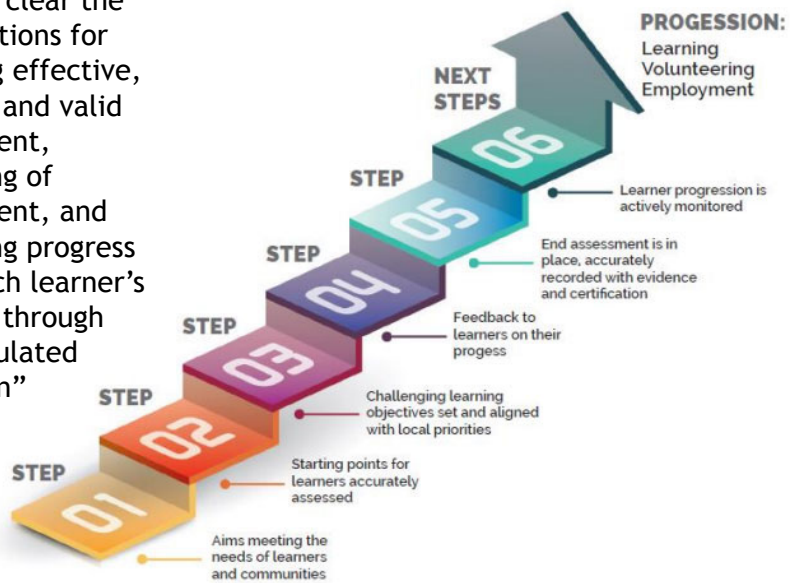
Recognising and Recording Progress and Achievement (RARPA)

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/>

5. Funding formula and rates for full and co-funding (incl. Single Activity Matrix)

Return @ 13:20

Nick Linford
Director at Lsect

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Funding rates and formula

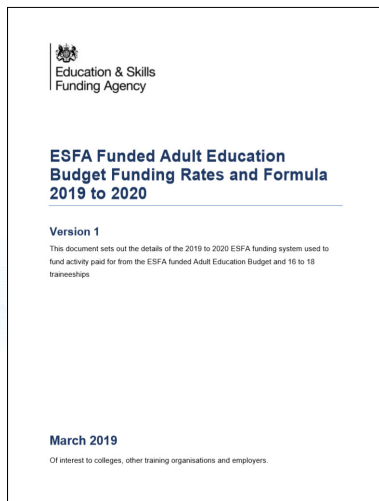
“This document sets out the principles and features of our funding system for the 2020 to 2021 funding year (1 August to 31 July) for ESFA funded Adult Education Budget (AEB) delivery and 16 to 18 Traineeships. We may make changes to these principles and features during the funding year.”

There are no changes to how we set funding rates or the funding calculation in the 2020 to 2021 funding year



<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2020-to-2021>

Funding rates and formula



“This document sets out the principles and features of our funding system for the 2019 to 2020 funding year (1 August to 31 July) for ESFA funded Adult Education Budget (AEB) delivery. 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 2019 to 2020”

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2019-to-2020>

AEB fully funded formula

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



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 20/21) 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

Qualification type	PW A Base (unweighted)	PW B Low	PW C Medium	PW D High	PW E or G Specialist ²
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	£724	-	-	-	-
Functional skills in entry level maths	-	-	£941	-	-
Functional skills in IT	-	£336	-	-	-
Access to Higher Education	£3,022	£3,384	£3,928	£4,835	£5,197

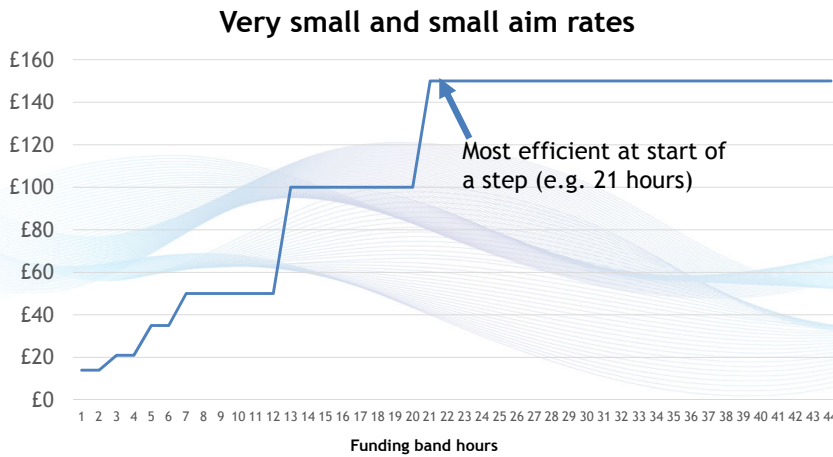
BUT ALWAYS CHECK LARS

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

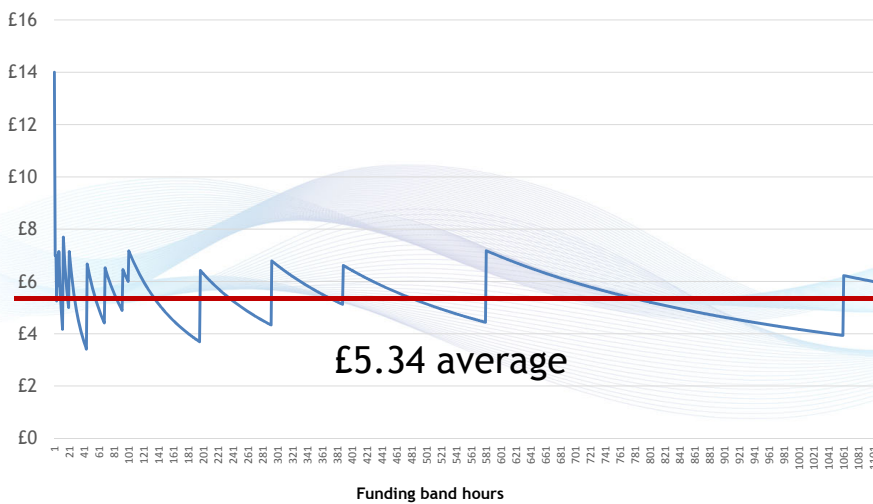
Annual funding cap of £4,400 for each learner each year, before weightings

Learning Support a fixed monthly rate of £150

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

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

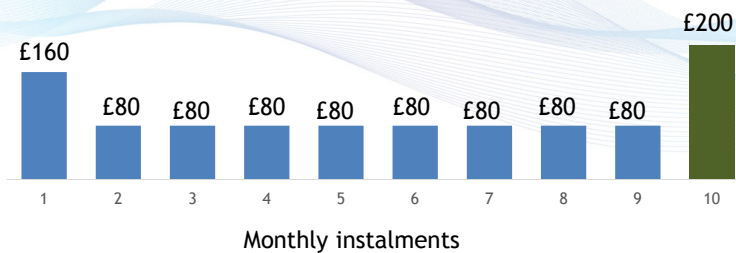
Monthly funding instalments

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)

236. 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:

- 236.1. 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
- 236.2. where the learner was claiming benefits relating to unemployment, they must also declare that they have stopped claiming these

<https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

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

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



6. Funding additional hours for ESOL

Nick Linford
Director at Lsect

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English for speakers of other languages (ESOL)

189. We will fully fund individuals aged 19 and over on the day they start their ESOL learning aim where they are unemployed, as set out in paragraphs 157 and 158.

190. We will co-fund all other individuals aged 19 and over on the day they start their ESOL learning aim. Where learners are employed, the low wage flexibility may apply, please refer to paragraphs 159 to 161.

191. We will fund ESOL learning up to and including level 2.

192. Providers offering ESOL qualifications may need to deliver additional learning to individual learners that incurs additional cost above the qualification rate. You can access information on how to do this in the [adult education budget: funding rates and formula 2019 to 2020](#) guidance.

“If you offer English for Speakers of Other Languages (ESOL) qualifications, you may need to deliver additional learning to individual learners that incurs additional costs above the qualification rate. Where additional hours are required, you can record these on the ILR using the ‘Additional delivery hours’ field, as detailed in the ILR specification and the Provider Support Manual.”

Funding additional hours for ESOL

4.7.12 Additional delivery hours

299. This field records the additional hours delivered for Adult skills funded and ESF funded ESOL units or qualifications where a learner needs additional learning to that funded through the applicable matrix rate.
300. The Additional delivery hours field may be used for approved ESOL units or qualifications and must not be used for non-regulated ESOL or any other ESOL qualifications.
301. For ESOL learning aims which start before 1 August 2015, the Additional delivery hours must not be returned.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/870376/ProviderSupportManual_19_20_version_2_Final.pdf

ILR specification: 2020 to 2021

Additional Delivery Hours: field

Definition

The number of additional guided learning hours required for the learning aim.

Reason required

To enable funding to be calculated.

<https://guidance.submitlearnerdatabeta.fasst.org.uk/ilr/field/addhours>

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)

7. Using the Learning Aims Reference Service

Nick Linford
Director at Lsect

LSECT
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LARS is used by the funding software

The screenshot shows the Learning Aims Search (LARS) web application interface. At the top, there is a navigation bar with 'Home' and 'Learning Aims' tabs. Below the navigation bar, there is a search bar labeled 'Keyword or code:'. To the right of the search bar, there are links for 'Help', 'Contact us', and 'Sign In'. The main content area is titled 'HM Government' and contains a survey notice: 'We are looking to improve the Learning Aim Reference Service (LARS) and would really appreciate your feedback. Please complete our survey to make your thoughts part of the development process: https://www.smartsurvey.co.uk/s/LARSresearchsurvey/'. Below the survey notice, there are several filter options: 'Type of Learning: All', 'Teaching year: 2019/2020', and 'Include: All Aims'. The 'Include' section has several checkboxes for different categories: 'Only the following Aims', '15-19 EFA', 'Adult Skills', 'Advanced Learner Loan', 'Apprenticeships', 'Community Learning', 'EFA Funding condition - English qualification validity', 'EFA Funding condition - Maths qualification validity', 'European Social Fund', 'OLASS', 'Other', and 'Unemployed Offer'. There are also 'Start Date: 01/08/2019' and 'End Date: 31/07/2020' fields. At the bottom, there is a 'Levels: Select all' checkbox. On the right side, there is a 'Links' section with several links: 'Learning aims search - guidance', 'Learning aims known issues 2017 TO 2018, version 1', 'Learning aims reference service - Categories', 'View current downloads', 'Table and field definitions Version 007 (applicable from 1 August 2019)', 'Table and field definitions Version 006 (applicable from 1 August 2018)', 'Data collections maintenance schedule', and 'Higher Education Learning Aim Request Form'.

<https://hub.fasst.org.uk/learning%20aims/pages/default.aspx>

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	Effective From	Effective To	Programme Weighting	Values	Maximum value £
Matrix	01/08/2013	31/07/2022	A	WEIGHTED RATE	724
Matrix	01/08/2013	31/07/2022	A	UNWEIGHTED RATE	724

'Matrix' category for AEB

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

Local flexibility

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. Z0001543 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

8. Creating an AEB course dynamic funding profiler

Nick Linford
Director at Lsect



Dynamic AEB funding profiler

AEB 2020/21	AEB carry-in to 2021/22	Total AEB	Fee Income	Total Income	Total Cost	Total contribution
£35,000	£0	£35,000	£2,250	£37,250	£40,500	£3,250

Start month	End month	Learning Aim	Course Title	Internal course code	Total starts	Hours per week	Weeks	Total hours	AEB	Fee income	AEB - fee income	Cost	Contribution
Sep-20	Jul-21	12145578	Award in subject 1	qwertys	20	12.5	16	450	£15,000	£2,250	£12,750	£40,500	£3,250

I will email you a copy of the spreadsheet

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

9. Key ILR issues and related tools in 2020/21 (incl ESFA portals and FIS)

Nick Linford
Director at Lsect

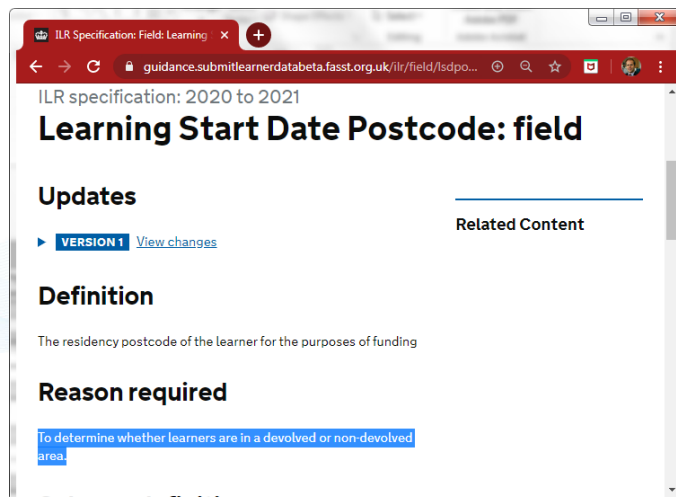
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Individualised Learner Record



<https://guidance.submitlearnerdatabeta.fasst.org.uk/ilr>

Postcode field to determine AEB funding source



<https://guidance.submitlearnerdatabeta.fasst.org.uk/ilr/field/learnselfamcode>

Source of funding (SOF) codes

Type	Code	Definition
SOF	1	Office for Students (OfS)
SOF	105	Education and Skills Funding Agency (ESFA) - Adult
SOF	107	Education and Skills Funding Agency (ESFA) - 16-19
SOF	108	Local authority (Community Learning funds)
SOF	110	Greater Manchester Combined Authority
SOF	111	Liverpool City Region Combined Authority
SOF	112	West Midlands Combined Authority
SOF	113	West of England Combined Authority
SOF	114	Tees Valley Combined Authority
SOF	115	Cambridgeshire and Peterborough Combined Authority
SOF	116	Greater London Authority
SOF	998	Other
SOF	117 - 120	Unassigned

<https://guidance.submitlearnerdatabeta.fasst.org.uk/ilr/field/learnselfamcode>

Devolved Area Monitoring (DAM) codes

Code	Title	Description	Valid From	Valid To	Applicable Source of Funding	Requesting Agency
001	Protocol validation exclusion	This code is used	01/08/2019		All	ESFA
002	Procured Devolved Adult Education		01/08/2019		All	ESFA
003	Devolved AEB Innovation Fund -	To enable devolved authorities to procure provision will be funded under AEB eligibility rules, as described in the GLA AEB Funding and Performance Rules for Procured Providers. For this provision to be used by the GLA to generate ESF-match funding, it	01/08/2019		116	Greater London Authority
004	Devolved AEB flexible allocation provision -		01/08/2019		116	Greater London Authority
005	Test and Learn Pilot English and Maths.	The programme will be monitoring a	01/08/2019	31/07/2021	111	Liverpool City Region Combined Authority
006	Test and Learn Pilot ESOL.	The programme will be monitoring a	01/08/2019	31/07/2021	111	Liverpool City Region Combined Authority
007	Test and Learn Pilot Digital.	The programme will be monitoring a	01/08/2019	31/07/2021	111	Liverpool City Region Combined Authority
008	Sector Specific Monitoring	The programme will be monitoring a	01/08/2019	31/07/2020	111	Liverpool City Region Combined Authority
009	Devolved AEB British Sign Language Entitlement	Remove barriers to participation for adult learners whose first or preferred language is British Sign Language (BSL), or who cannot access spoken	01/08/2019		110 116	Greater Manchester Combined Authority Greater London Authority
010	Devolved AEB Low Wage Pilot -	Remove financial barriers from learners on a low wage by enabling This is a temporary	01/08/2019		All	All

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/885324/ILRspecification_Monitoring_Codes_2019_20_version_2.xlsx

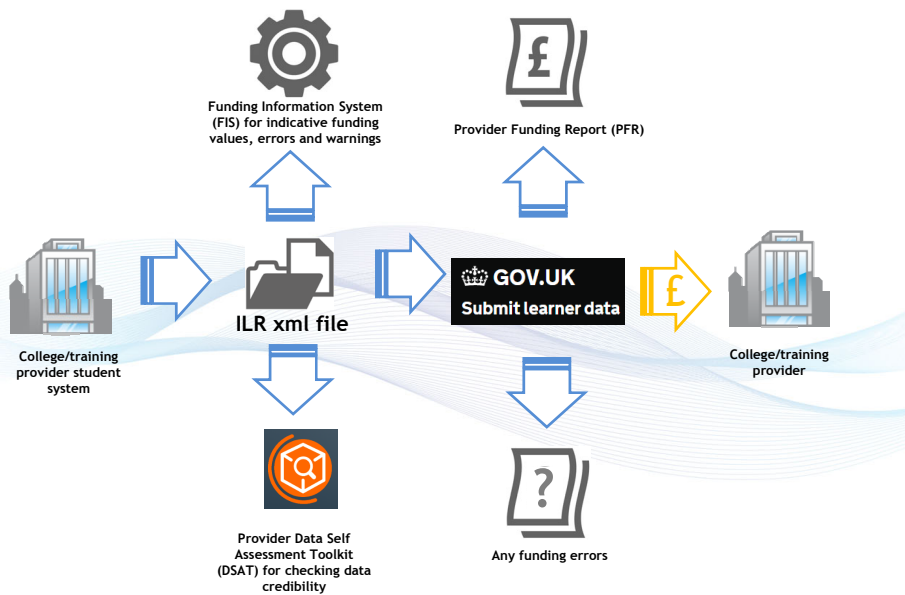
Key ILR fields used by funding software

- > 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?

Individualised Learner Record and related tools



10. Funding audit for AEB and the use of the PDSATs

Nick Linford
Director at Lsect



Provider Self Assessment toolkit (PDSAT)

The screenshot shows a web browser window displaying the 'ILR data: provider data self-assessment toolkit (PDSAT)' page on the UK government website. The page includes a breadcrumb trail, a title, a brief description, publication information (29 July 2019, Education and Skills Funding Agency), an 'Applies to: England' filter, a 'Documents' section with a PDF guide, and a 'Related content' section with links to EASD reports and ILR data. A 'Details' section at the bottom explains the toolkit's purpose for colleges and employers.

<https://www.gov.uk/government/publications/ilr-data-provider-data-self-assessment-toolkit-pdsat>

Provider Self Assessment toolkit (PDSAT)

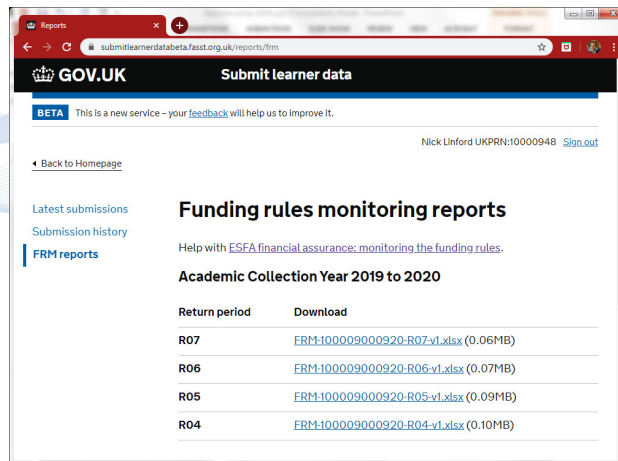
<https://www.gov.uk/government/publications/ilr-data-provider-data-self-assessment-toolkit-pdsat>

There are more than 80 PDSAT reports

Funding Rules Monitoring (FRM) spreadsheets

The ESFA produce reports to help providers identify data mismatches between multiple ILR files

The reports after R04 can be downloaded from the ESFA's Submit Learner Data portal



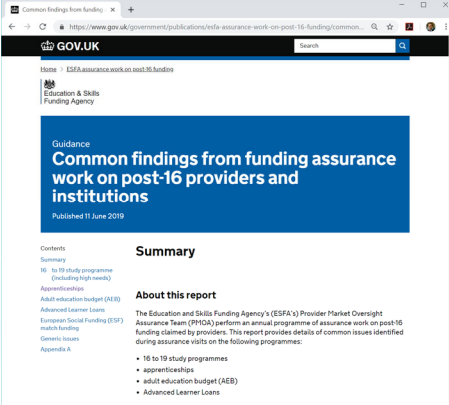
<https://submitlearnerdatabeta.fasst.org.uk/>

Funding Rules Monitoring report guidance

No.	Area (all policy areas)	Policy rules and guidance
FRM04	Changes to the 'Actual end date' between years	<p>Guidance from the provider support manual states: If an aim that was recorded as complete in the previous year's R14 ILR file and continues to be returned in the current year, then the 'Learning actual end date' must not be changed.</p> <p>If a learner undertakes a learning aim, finishes learning, takes the final assessment and fails, then you should close this aim and record it as 'not achieved' (Outcome code 3). Where you later identify this learner as needing further support or additional learning to pass the assessment, then a new learning aim should be recorded as a restart with a 'Funding adjustment for prior learning' to account for the new learning required to pass the resit. You must not amend the original, closed learning aim.</p> <p>For learners who were incorrectly reported as completed at R14, and are continuing their studies in the current year, please contact the service desk.</p>
FRM05	Changes in the 'Learning planned end date' between funding years	<p>Guidance from the provider support manual states: This data should only be changed when it is identified as incorrect due to administrative errors. The Learning planned end date must not be changed to take into account a revised planned end date due to a change in circumstances such as illness, slow progress or unemployment.</p> <p>If the planned end date is after 1 August of the current funding year, record the learning as a transfer (withdrawal reason = 40) with a learning actual end date of 1 August. Record a new learning aim with a learning start date of 2 August of the current year and the correct Learning planned end date. This new aim must be flagged as a restart with a funding adjustment for prior learning.</p> <p>If the planned end date is identified as being incorrect, and the correct date is prior to 1st August of the current year, this data error cannot be corrected.</p>

<https://www.gov.uk/guidance/esfa-financial-assurance-monitoring-the-funding-rules>

ESFA Audit



<https://www.gov.uk/government/publications/esfa-assurance-work-on-post-16-funding-common-findings-from-funding-assurance-work-on-post-16-providers-and-institutions#adult-education-budget-aeb>

Adult education budget (AEB)

Funding issues

Prior attainment

One of the main issues causing funding errors in this area, as with apprenticeship programmes, relates to providers claiming funding without taking into account the learners' attainment and study of prior qualifications.

This may mean that the learner was exempt from part of their programme or should have had the funding reduced through the proportion of funding field on the ILR. Situations arose where learners had achieved units and progressed onto other qualifications, transferred, or returned from a break and the proportion of funding had not been reduced accordingly.

Learners studying programmes other than apprenticeships must be enrolled on a level of learning in English and/or Maths (and ESOL qualifications) that is beyond their assessed level. We found numerous examples where learners were studying at the same level at which they had been assessed. This resulted in funding being claimed incorrectly.

Learner status

Similar to the apprenticeships programme, funding errors occur when funding is claimed for learners' continued participation on the AEB programme, but this cannot be confirmed from the evidence of learning activity, usually for periods of learning, or occasionally from a learner's start date. This is a recurring issue found year-on-year and accounts for a significant proportion of funding error.

Full and co-funding

There were also instances where funding was claimed incorrectly for learners who were not entitled to full funding. Providers should only claim co-funding for these learners.

Workplace learning

Workplace learning is not eligible for funding unless these specific criteria are met:

- ESFA has confirmed a national level concession that responds to a significant negative economic impact for a specific industry
- it is statutory entitlement learning stated in paragraph 167 of the [AEB funding rules](#)

Where evidence to confirm the eligibility under the funding rules for workplace learning cannot be confirmed, such funding will be recovered.

Final Q&A

Nick Linford

Director at Lsect

