



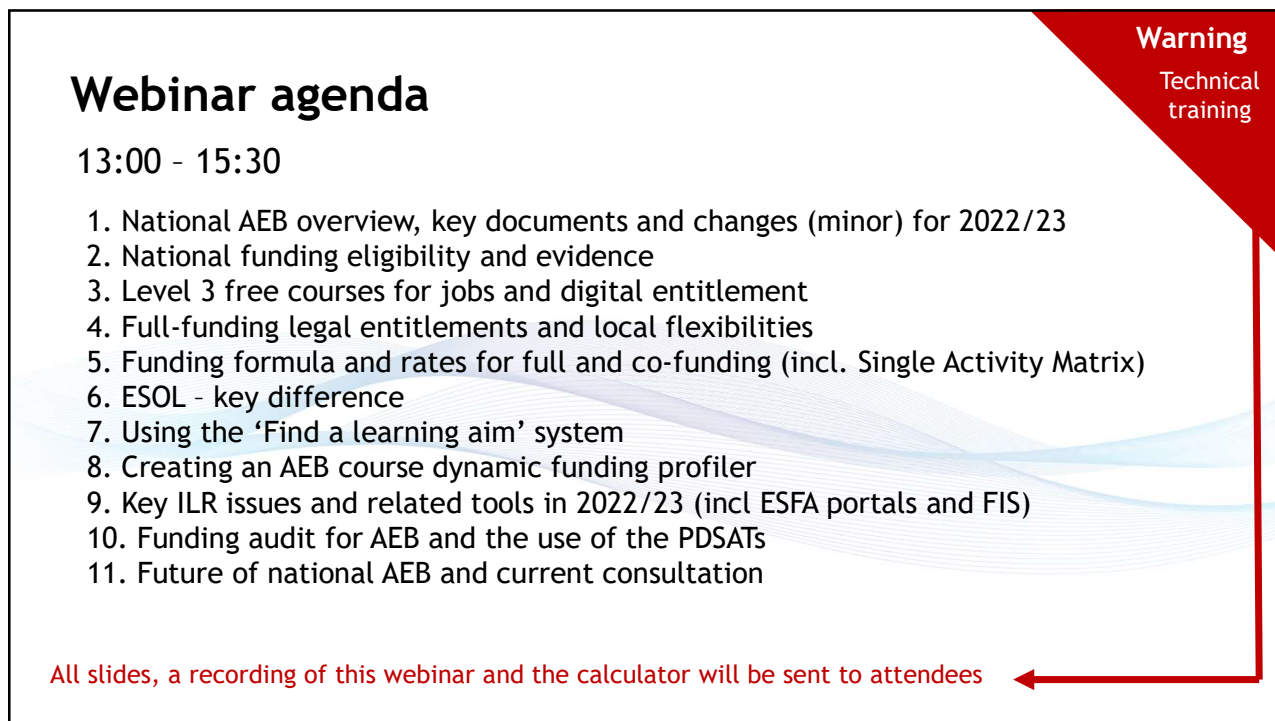
National AEB funding and rules

13:00 - 15:30
13 September 2022

> Nick Linford, author of the Complete Guide to Funding Apprenticeships

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Webinar agenda

13:00 - 15:30

1. National AEB overview, key documents and changes (minor) for 2022/23
2. National funding eligibility and evidence
3. Level 3 free courses for jobs and digital entitlement
4. Full-funding legal entitlements and local flexibilities
5. Funding formula and rates for full and co-funding (incl. Single Activity Matrix)
6. ESOL - key difference
7. Using the 'Find a learning aim' system
8. Creating an AEB course dynamic funding profiler
9. Key ILR issues and related tools in 2022/23 (incl ESFA portals and FIS)
10. Funding audit for AEB and the use of the PDSATs
11. Future of national AEB and current consultation

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

Warning
Technical training

2

National AEB overview, key documents and changes (minor) for 2022/23

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AEB overview

ESFA for 2022/23: “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.”

- > ESFA allocate around £1.3bn every year to providers
- > Devolved authority areas allocate around £700m every year
- > Grant funded providers (typically colleges and LAs) do not tender
- > Contract funded providers (typically ITPs) tender - sometimes referred to as ‘procured AEB’

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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, 'Level 3 free courses for jobs' and Essential Digital Skills Qualifications

2. Skills provision for unemployed (incl. SWAPs)

3. Traineeships (now outside AEB for ITPs)

4. Community learning for learners furthest from learning or employment (now outside AEB for ITPs)

Could you label all your AEB provision this way?

5

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 and 2021/22 rules

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

2022/23 rules

Providers must have due regard to the skills analysis and priorities of Local Enterprise Partnership(s).

Where there is an approved local skills improvement plan for the specified area, the relevant provider must consider that plan when making decisions about English-funded post-16 technical education or training.

Employer representative bodies (ERB):

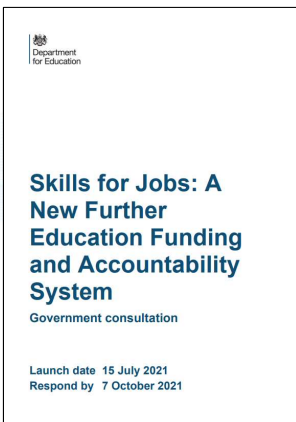
<https://www.gov.uk/government/publications/designated-employer-representative-bodies/notice-of-designated-employer-representative-bodies>

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#devolution>

6

Two funding consultations

Reforms will be “simplifying the adult skills funding system and refocusing accountability onto the outcomes delivered”



<https://consult.education.gov.uk/fe-funding/reforms-to-funding-and-accountability/>



<https://consult.education.gov.uk/fe-funding/implementing-a-new-fe-funding-and-accountability-s/>

Fundamentally, our reforms are about changing the incentives in the further education (FE) system by focussing accountability on outcomes and simplifying the funding system, so providers have the flexibility that they need to deliver in the most effective way

More on this later

7

National AEB tendering for 2023/24

"AEB Successor programme" SSQ published.

DfE holding online market engagement events (project 6971).
Sept 27, 11am-12pm or
Sept 29, 10am-11am

Project Details	
Project Code project_6971	Project Title AEB Successor programme
Opportunity Details	
Project Description The Adult Education Budget (AEB) funds education and skills provision for eligible learners aged 19+ to help them gain qualifications and skills enabling them to progress either into work, an apprenticeship or other learning. Where applicable it also provides funding to help learners overcome the barriers which prevent them from taking part in adult education.	Notes Default Additional Notes
Work Category Services	Procurement Route FTS Open Procedure
Listing Deadline 29/09/2022 09:00	

<https://education.app.jaggaer.com/web/login.html>

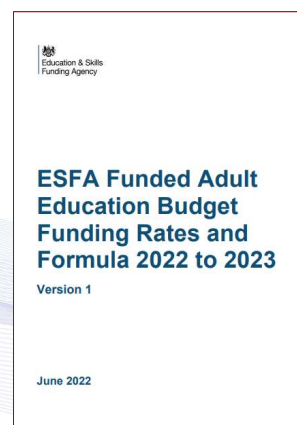
8

AEB funding documents for 2022/23



77 pages if printed. No paragraph numbers

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023>



25 pages with paragraph numbers

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2022-to-2023>

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As advertised, very little change for this year

Changes to the funding system from the 2021 to 2022 funding year

7. We have removed references to High value courses for school and college leavers: a one-year offer for 18 and 19-year-olds, as you were required to complete delivery on these courses by 31 March 2022 in the 2021 to 2022 funding year.
8. There are no further major changes to the funding system for the 2022 to 2023 year.

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2022-to-2023>

But a bit more detail on amendments to funding rules (see next slides)

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Funding rule summary of changes (1 of 3)

Summary of main changes since funding rules 2021 to 2022

We have highlighted the main changes made in this document compared to the final version we published for 2021 to 2022 in the table below.

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 ESFA.

If you have a specific query on the funding rules, please use the enquiry form or speak to your provider management manager/advisor.

Section	Change
Devolution of adult education functions and who we fund	Paragraphs relating to continuing learners in relation to the High value courses for school and college leavers; a one-year skills offer for 18- and 19-year-olds have been removed as the offer has now finished.
Local skills improvement plans	Paragraph added re local skills improvement plans.
Mainstreaming of Covid-19 policies	Mainstreaming of coronavirus policies - Removal of 'response to coronavirus (COVID-19)' section. Amendments to the 'support funding' section.

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#summary>

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Funding rule summary of changes (2 of 3)

Residency Eligibility	UK nationals and other persons with right of abode updated for clarification.
Residency Eligibility	Individuals with certain types of immigration status and their family members - have added the following to the list - Ukraine Family Scheme. Ukraine Sponsorship Scheme (Homes for Ukraine). British Nationals evacuated from Afghanistan under Operation Pitting. British Nationals evacuated from Afghanistan by UK government before 6 January 2022.
Residency Eligibility	Residency eligibility section has been updated for clarification and to reflect the EU exit. The key additional paragraphs relate to: Family members of EU nationals covered by the Withdrawal Agreement. Family members of people of Northern Ireland. Joining family members under EUSS. Late applications to EUSS. Irish citizens residing in the EEA or Switzerland by 31 December 2020.
Contracting	Staying on the Register of Training Organisations information box updated to sign post providers directly to the new subcontracting standard.

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#summary>

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Funding rule summary of changes (3 of 3)

Government contribution tables	No policy changes but simplified for clarity. We have changed the heading to 'government contribution charts'. We have also included an annex C that shows the text to support the charts.
High Value Courses	The offer has now finished so associated rules have been removed including continuing learners.
Heavy goods vehicle (HGV) driver training	The information box has been updated - this was a one year offer for 2021 to 2022 which has now been extended for the 2022 to 2023 academic year.
Level 3 free courses for jobs	Updated to reflect name change from National Skills Fund – Level 3 adult offer to level 3 free courses for jobs.
Community Learning	Paragraph added in the information box to emphasise the importance of learners progressing to new and more stretching provision. Further clarification of how providers can claim for learning and learner support through the funding claim.

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#summary>

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AEB increasingly devolved

AEB devolved areas set allocations, rules and audit

But we are only covering national AEB today (ESFA funded)



<https://www.gov.uk/guidance/adult-education-budget-aeb-devolution>

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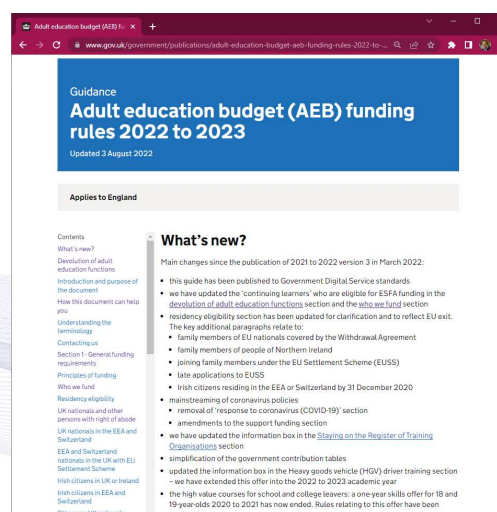
National funding eligibility and evidence

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Web-based funding rules

This document sets out the ESFA AEB funding rules for the 2022 to 2023 funding year (1 August 2022 to 31 July 2023). These rules contain conditions of funding (in accordance with section 101 of the Apprenticeships Skills Children and Learning Act 2009 and section 16 of the Education Act 2002) and apply to all providers who receive ESFA funded AEB from the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA).



<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023>

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Home & delivery postcode and residency eligibility

Individuals will be eligible for ESFA funded AEB if they meet the criteria in the '[who we fund](#)' section, the learning is taking place in England, and they fulfil the residency requirements set out in one or more of the categories below.

We will fund:

- individuals resident in areas of England outside of devolved authority areas undertaking ESFA funded AEB
- continuing learners who are resident in devolved authority areas, who have not completed their learning by 31 July 2022, but started their learning before the authorities' devolution date with providers who have an Education and Skills Funding agreement (grant) only
- learners resident in England, including those resident in a devolved authority area, undertaking a 19 to 24 traineeship programme

You must check the eligibility of a learner, including where in England they are resident, at the start of each learning aim, or their traineeship programme, and only claim funding for ESFA funded AEB for eligible learners. Please refer to the [glossary](#) definition of 'learner residency' and the devolution [postcode checker data set](#).

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

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023>

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Evidence requirements

Evidence

Evidence Pack

Confirmation and signatures

Starting, participating and achieving

Leaving learning

Individualised learner record (ILR)

Self-declarations by learners

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

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#evidence-pack>

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Level 3 free courses for jobs and digital entitlement

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Level 3 free courses for jobs offer

As part of the Lifetime Skills Guarantee, a targeted level 3 adult offer has been developed to support adults without an existing full level 3 qualification and, from 1 April 2022, adults who meet the definition of 'low wage' or 'unemployed'. This offer is also known as the free courses for jobs offer.

The offer includes:

- level 3 qualifications which will support the development of new skills for adult learners and improve the prospects of eligible adults in the labour market. In particular, eligible adults aged 24+ can now access fully-funded level 3 provision from the list of level 3 free courses for jobs qualifications available via the [DfE list of qualifications approved for funding](#)
- additional level 3 qualifications for 19 to 23-year-olds that are not included in the legal entitlements
- [support funding](#)
- the ability for eligible learners to take one short qualification (identified by category code 49) without exhausting their eligibility. We expect this flexibility to be used where a learner could benefit from a more substantial qualification once they have completed a short qualification

No firstness
requirement for
unemployed and
low wage

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#free>

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Level 3 free courses for jobs offer - funding uplift

62. We are offering additional funding through [Free Courses for Jobs](#) for adults on their first level 3 qualification (as well as learners who have completed a designated short course through Free Courses for Jobs since April 2021) as defined in the [ESFA funded adult education budget funding rules](#). From April 2022 this offer has also been available for adults who are unemployed or earning low wages (below the national living wage), even if they hold a full Level 3 qualification or higher. We will fund this learning like we fund other AEB delivery, with the following exceptions:

- learners eligible for this offer can be fully funded; we have changed the validation rules to allow this, for learners who are not already eligible for full-funding
- we will increase the weighted rate by £600 for eligible aims in [category code 45](#) ('National Skills Fund Level 3 Adult Offer rate 1') or by £150 for eligible aims in [category code 46](#) ('National Skills Fund Level 3 Adult Offer rate 2')
- we will increase the £150 or £600 by the area cost uplift and/or disadvantage uplift if applicable to that learning aim
- to calculate learner-level capping over the 2022 to 2023 funding year, we use the unweighted rates without the £150 or £600 increase

63. Learners aged 23 or younger (based on their age on the day they start the qualification) taking their first level 3 qualification (as well as those who have completed a designated short course through Free Courses for Jobs since April 2021) utilising Free Courses for Jobs will be funded through your procured or non-procured ESFA adult education budget funding lines.

64. Learners aged 24+ (based on their age on the day they start the qualification) taking their first level 3 qualification (as well as those who have completed a designated short course through Free Courses for Jobs since April 2021) utilising Free Courses for Jobs will be funded through your procured or non-procured National Skills Fund funding lines.

65. You should use the Learning Delivery Monitoring (LDM) code 378 (Adult Level 3 offer) in the ILR to indicate your learning aims that are eligible within this offer.

66. You must also use LDM code 382 when recording learners who meet the low wage eligibility. Devolved authorities can also set their own wage threshold (below which adults with an existing Level 3 can access Free Courses for Jobs).

67. Devolved Authorities have some limited flexibility to use their National Skills Fund allocation to fund, for their residents, additional qualifications which are not part of the national offer. The devolved authorities are responsible for notifying you about any qualifications where this flexibility applies. For these qualifications, the funding calculation will not increase the weighted rate by £150 or £600.

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2022-to-2023>

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Course eligibility

Two official search engines

The screenshot shows the 'Find a learning aim' search engine. It has a search bar with the placeholder 'Search by title or reference number'. Below the search bar is a link 'Search using a wildcard'. There are filters for 'Type of learning' (set to 'Qualifications') and 'Academic Year' (set to '2022 to 2023'). Under 'EFA funding condition', there are checkboxes for 'English' and 'Maths'. A green 'Search' button is at the bottom. Below the search bar, there is a section for 'Database downloads' with a link 'View current downloads'.

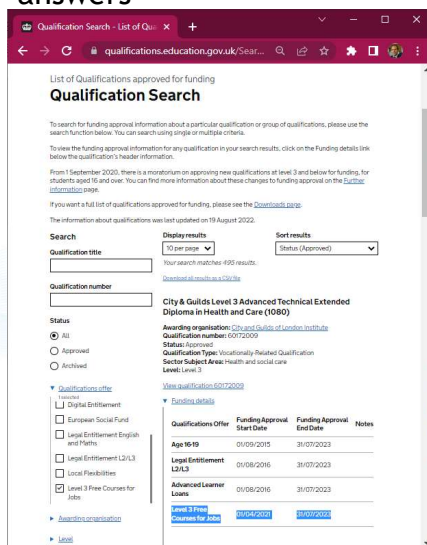
<https://submit-learner-data.service.gov.uk/find-a-learning-aim/>

The screenshot shows the 'Qualification Search' interface. It has a search bar with the placeholder 'Search'. There are filters for 'Status' (set to 'All'), 'Sort results' (set to 'Status (Approved)'), and 'Display results' (set to 'By name'). Below the search bar, there is a list of qualifications. The first qualification is 'City & Guilds Level 3 Advanced Technical Extended Diploma in Health and Care (1080)'. The second qualification is 'NCFE CACHE Technical Level 3 Diploma in Early Years Education and Care (Early Years Educator)'. The third qualification is 'Gateway Qualifications Level 3 Certificate in Coaching and Mentoring'.

<https://www.qualifications.education.gov.uk/Search?Status=All&Offer=9>

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ESFA link to 'Qualification Search' but their 'Find a Learning Aim' has all the answers



<https://www.qualifications.education.gov.uk/Search?Status=All&Offer=9>

Category code	Description	Parent category code	Parent description	Effective from	Effective to
8	Tech Levels 2017 - 3 Year Loan	6	Tech Levels 2017	01 August 2019	31 December 2600
14	Loans Length - 3 Year (not Tech Lvl 2017/EYE)	12	Loans length (not Tech Levels 2017/EYE)	01 August 2016	31 July 2019
6	Tech Levels 2017	0	N/A	01 August 2019	31 December 2600
12	Loans length (not Tech Levels 2017/EYE)	0	N/A	01 August 2016	31 July 2019
38	Only for Legal Entitlement at Level 3	0	N/A	01 August 2016	31 December 2600
45	Personal Skills Fund Level 3 Free Courses for Jobs rate 1	0	N/A	01 April 2021	31 December 2600

<https://submit-learner-data.service.gov.uk/find-a-learning-aim/LearningAimDetails/Category/60172009?academicYear=2223>

Code 45, so £600 uplift

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Digital entitlement

We will fully fund individuals aged 19 or older and assessed at below level 1, including individuals who are employed, as part of their legal entitlement on the day they start the following qualification: Essential Digital Skills qualification (EDSQ up to and including level 1).

We will fully fund non-regulated learning for learners, including those assessed at pre-entry level with significant learning difficulties and/or disabilities as part of a personalised learning programme, where assessment has identified the learner cannot undertake provision identified in the paragraph above. This provision must be aligned with the [national standards for essential digital skills](#) and must not be a non-regulated version of a regulated qualification (see rules for [non-regulated learning](#)).

You must:

- carry out an initial assessment using current assessment tools based on the national standards for essential digital skills
- carry out an appropriate diagnostic assessment to inform and structure a learner's learner file to use as a basis for a programme of study
- enrol the learner on a level above that at which they were assessed and be able to provide evidence of this
- deliver ongoing assessment to support learning
- record the evidence of all assessment outcomes in the evidence pack

The assessments must place a learner's current skills levels within the level descriptors used for the RQF.

Evaluation progress

The status, as at 24 August 2022, of each of the qualifications that awarding organisations have notified Ofqual they are developing is as follows.

Organisation	Entry Level	Level 1
Ascentis	5	5
BCS: for life ^[footnote 1]	3	3
BCS: for work ^[footnote 1]	5	5
City & Guilds	Submissions withdrawn	Submissions withdrawn
Gateway	5	5
Highfield	4	4
NCFE	5	5
NOCN	5	5
OCN London: daily life ^[footnote 1]	5	5
OCN London: work life ^[footnote 1]	3	3
OCR	Submissions withdrawn	Submissions withdrawn
Open Awards	3	3
Pearson	5	5
The Learning Machine	5	5

<https://www.gov.uk/government/publications/digital-qualifications-evaluation-progress/essential-digital-skills-qualifications-progress-so-far>

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Full-funding legal entitlements and local flexibilities

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Legal entitlements

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

“Eligible learners exercising their legal entitlement must be enrolled on qualifications that DfE has approved for funding through the relevant entitlement”

ESFA funded AEB includes support for 4 legal entitlements to full funding for eligible adult learners.

Note: The legal entitlements for level 2 and level 3 follow the definition of fullness in the [full level 2](#) and [full level 3](#) sections respectively. A learner can only be fully funded for one vocational qualification from the entitlement qualifications list when exercising their legal entitlement. Appropriate information, advice and guidance should be given to a learner and the learner should be made aware of their entitlement rights and progression routes on completing an entitlement qualification.

These entitlements are set out in the [Apprenticeships, Skills and Children 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
- essential digital skills qualifications, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#entitlement>

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Finding the legal entitlement qualifications

Try downloading the spreadsheet. But 'Find a learning aim' is always the most correct list, as it's used by the funding software

Qualification Search - List of Q...

Qualification Search

To search for funding approval information about a particular qualification or group of qualifications, please use the search function below. You can search using single or multiple criteria.

To view the funding approval information for any qualification in your search results, click on the Funding details link below the qualification's header information.

From 1 September 2022, Research and Innovation on approving new qualifications at level 3 and above for funding for students aged 16 and over. You can find more information about these changes to funding approval on the [Funding details](#) page.

If you want a full list of qualifications approved for funding, please see the [Download spreadsheet](#) link.

The information about qualifications was last updated on 19 August 2022.

Search by title or reference number

Search results: 400 results

Qualification number:

City & Guilds Level 3 Advanced Technical Extended Diploma in Health and Care (10/00)

Awarding organisation: City and Guilds of London Institute

Qualification number: 10/00/000

Status: Approved

Qualification Type: Vocational/Related Qualification

Sector Subject Area: Health and social care

Level: Level 3

View qualification details

Download spreadsheet

NCFE CACHE Technical Level 3 Diploma in Early Years Education and Care (Early Years Educator)

Awarding organisation: NCFE

Qualification number: 03/04/003

Status: Approved

Qualification Type: Vocational/Related Qualification

Sector Subject Area: Child development and well-being

Level: Level 3

View qualification details

Gateway Qualifications Level 3 Certificate in Coaching and Mentoring

Awarding organisation: Gateway Qualifications Limited

Qualification number: 03/03/010

Status: Approved

Qualification Type: Vocational/Related Qualification

Sector Subject Area: Teaching and learning

Level: Level 3

View qualification details

<https://www.qualifications.education.gov.uk/search?Status=All&Offer=9>

Find a learning aim

Find the latest information on available Qualifications, Standards, Apprenticeships, T Levels and Units.

Standards will show you information on funding, dates and common components. Qualifications and Units show you funding streams for courses and the last date learners can start. Apprenticeships and T Levels show you pathways, dates, and common components.

Search by title or reference number

Search results: 400 results

Qualification number:

City & Guilds Level 3 Advanced Technical Extended Diploma in Health and Care (10/00)

Awarding organisation: City and Guilds of London Institute

Qualification number: 10/00/000

Status: Approved

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View qualification details

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Awarding organisation: NCFE

Qualification number: 03/04/003

Status: Approved

Qualification Type: Vocational/Related Qualification

Sector Subject Area: Child development and well-being

Level: Level 3

View qualification details

Gateway Qualifications Level 3 Certificate in Coaching and Mentoring

Awarding organisation: Gateway Qualifications Limited

Qualification number: 03/03/010

Status: Approved

Qualification Type: Vocational/Related Qualification

Sector Subject Area: Teaching and learning

Level: Level 3

View qualification details

<https://submit-learner-data.service.gov.uk/find-a-learning-aim/>

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Local flexibilities

Basically means, for the right reasons, you can deliver courses without a qualification (non-regulated)

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](#)' [chart 1](#) and [chart 2](#) and the sections below up to and including Learners with an education, health and care (EHC) plan for learner eligibility. Where appropriate for the learner, you can deliver local flexibility provision alongside a legal entitlement qualification.

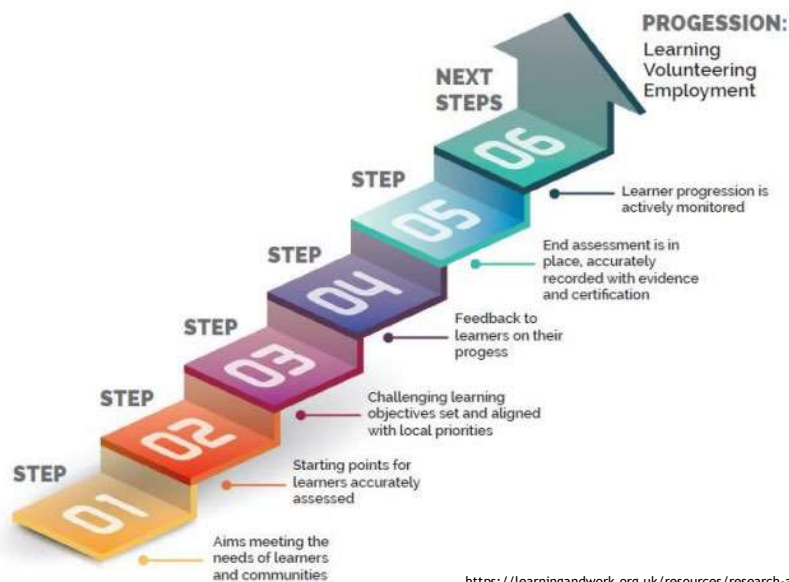
“Learners aged 19 to 23 progressing towards their first full level 2, must undertake learning at entry and/or level 1 only from local flexibility.”

So most of the local flexibility provision tends to be at level 1 and below

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#flexibility>

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Recognising and Recording Progress and Achievement (RARPA)



<https://learningandwork.org.uk/resources/research-and-reports/rarpa/>

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Fully-funded, co-funded or loan funded for 19-23s?

Chart 1: 19 to 23-year-olds (age exception on traineeships 19- to 24-year-olds)

Provision	Notes and Eligibility	Funding
English and maths up to and including level 2	Must be delivered as part of the legal entitlement qualifications	Fully Funded
Essential Digital Skills Qualifications up to and including level 1	Must be delivered as part of the Digital legal entitlement qualifications	Fully Funded
First full level 2 (including English and maths)	First full level 2 must be delivered as part of the legal entitlement qualifications. Level 2 provision from the local flexibility offer will not be funded for 19- to 23-year-olds who do not have a first full level 2. See Local flexibility and legal entitlement section.	Fully Funded
Level 3 legal entitlement (learners first full level 2)	First full level 3 must be delivered as part of the legal entitlement qualifications	Fully Funded
Level 3 Free Courses for Jobs offer	Learners without a full level 2 or above can access a qualification on the Free Courses for Jobs offer qualifications list.	Fully Funded
Level 3 Advanced Learner Loans	Learners who already hold a level 3 or above and meet the definition of unemployed or who are in receipt of low wage	Fully Funded
Learning aims to progress to a full level 2 up to and including level 1	A learner who has already achieved a full level 3 and exhausted their eligibility for the Free Courses for Jobs offer	Loan Funded
Learning aims up to and including level 2, where the learner has already achieved a first full level 2 or above (Local flexibility and legal entitlements)	Must be delivered as entry or level 1 provision from local flexibility	Fully Funded
English for speakers of other languages (ESOL) learning up to and including level 2	For those who meet the unemployed criteria or who are in receipt of a low wage	Fully Funded
Traineeships (19- to 24-year-olds)	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for learners in receipt of low wage	Co-Funded
	For those who meet the unemployed criteria or who are in receipt of a low wage	Fully Funded
	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for learners in receipt of low wage	Co-Funded
	16- to 18-year old learners must be eligible under ESFAs young people's residency requirements. Excluding the flexible element where funding depends on age and level.	Fully Funded

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#legal>

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Fully-funded, co-funded or loan funded for 24+

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#legal>

Chart 2: 24+

Provision	Notes and Eligibility	Funding
English and maths up to and including level 2	Must be delivered as part of the legal entitlement qualifications	Fully Funded
Essential Digital Skills Qualifications up to and including level 1	Must be delivered as part of the Digital legal entitlement qualifications	Fully Funded
First full level 2 (including English and maths)	For those who meet the unemployed criteria or who are in receipt of a low wage	Fully Funded
	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for learners in receipt of low wage	Co-Funded
Level 3 Free Courses for Jobs offer	Learners without a full level 3 or above accessing a qualification on the level 3 Free Courses for Jobs offer qualification list	Fully Funded
	Learners who already hold a level 3 or above and meet the definition of unemployed or who are in receipt of a low wage	Fully Funded
	Where 24+ learners are not eligible for the level 3 Free Courses for Jobs offer, providers must refer to the Advanced Learner Loans rules	Loan Funded
Learning to progress to level 2 (Local flexibility and legal entitlements)	For those eligible for their first level 2 as they meet the unemployed criteria or who are in receipt of a low wage	Fully Funded
	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for learners in receipt of low wage	Co-Funded
Learning aims up to and including level 2 where the learner has already achieved a first full level 2 or above (Local flexibility and legal entitlements)	For those eligible for their first level 2 as they meet the unemployed criteria or who are in receipt of a low wage	Fully Funded
	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for learners in receipt of low wage	Co-Funded
Learning aims up to and including level 2 where the learner has not achieved a first full level 2 or above (Local flexibility and legal entitlements)	For those eligible for their first level 2 as they meet the unemployed criteria or who are in receipt of a low wage	Fully Funded
	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for learners in receipt of low wage	Co-Funded
English for speakers of other languages (ESOL) learning up to and including level 2	For those who meet the unemployed criteria or who are in receipt of a low wage	Fully Funded
	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for learners in receipt of low wage	Co-Funded

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

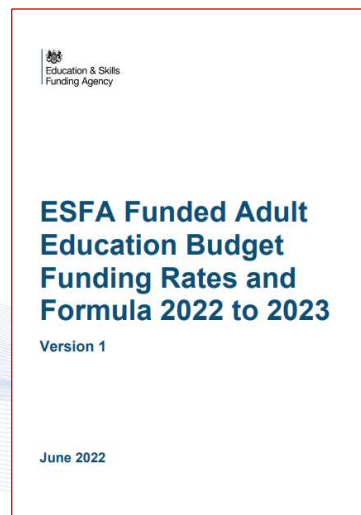
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The funding formula & rates

“This document sets out the principles and features of our funding system for the 2022 to 2023 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 further major changes to the funding system for the 2022 to 2023 year.”

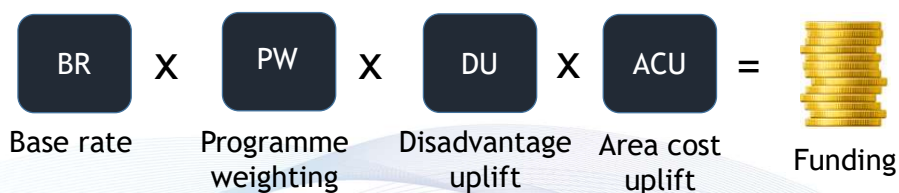


<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2022-to-2023>

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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 2019 in 22/23) 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)

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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

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Other funding rates

Qualification type	PW A Base (unweighted)	PW B Low	PW C Medium	PW D High	PW 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	£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 THE 'FIND A LEARNING AIM' SEARCH

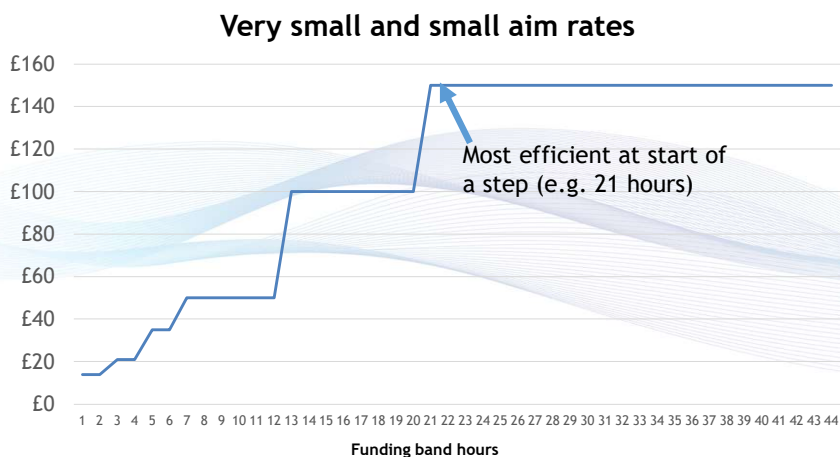
The single work-placement and work-preparation rate for traineeships of £1500 (plus £1000 employer incentive)

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

Learning Support a fixed monthly rate of £150

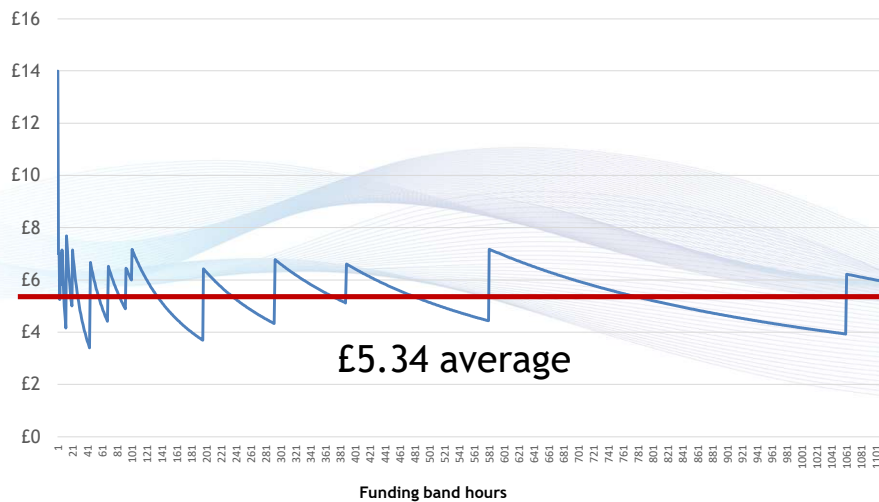
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Example of how bands are efficiency steps



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Funding per SAM hour



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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	-	-

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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/FALA

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

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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

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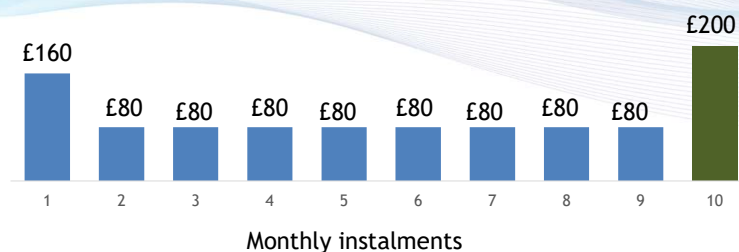
Monthly funding instalments

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:



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Job outcome payments

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 4 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

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Job outcome payment

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



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ESOL - key difference

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English for speakers of other languages (ESOL)

We will fully fund individuals aged 19 and over on the day they start their ESOL learning aim where they are unemployed.

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.

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

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 [AEB funding rates and formula 2022 to 2023](https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#speak).

<https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023#speak>

The key steps for claiming top-up for an ESOL qualification that is planned to be delivered in 60 hours are:

- identify the original funding band of the ESOL qualification. For example, if we fund the qualification at £150, this equates to the '21 to 44' hours funding band in the SAM
- calculate the additional hours. This is the 60 planned hours minus the maximum GLH value of the ESOL qualification's funding band from the SAM. In this example, the maximum GLH from the '21 to 44' hours band is 44, therefore the additional hours you need to record in the ILR are 60 minus 44 = 16
- the funding calculation automatically assigns the additional hours recorded on the ILR to the SAM to allocate a funding band, which then generates a top-up rate. The 16 additional hours equates to the '13 to 20' hours funding band. The '13 to 20' hours funding band generates £100 for the top up (all ESOL aims have programme weighting A)
- the overall rate is then the original rate (£150) plus the top up amount (£100) which is £250

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1081221/Funding_rates_and_formula_2022_to_2023_v0.2_003_.pdf

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ILR specification: 2022 to 2023

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.

Schema definitions

XML Element Name	AddHours
Field length	4
Data type	xs:int
Minimum occurrences	0
Maximum occurrences	1
Part of	LearningDelivery

- Additional delivery hours should be recorded to the nearest whole hour.
- This field should only be returned for ESOL unit or qualification aims that start on or after 1 August 2015. It must not be recorded for non-regulated ESOL aims.
- This field should only be used to record additional guided learning hours that have been delivered for ESOL units or qualifications where a learner needs additional learning to that funded through the Adult Skills funding model or ESF funding model.
- The hours recorded are for the entire duration of the learning aim, not just the current teaching year. This field should be updated if required at the end of the learning aim with the actual hours delivered.
- Please refer to the Provider Support Manual for further details of how to calculate the additional delivery hours.

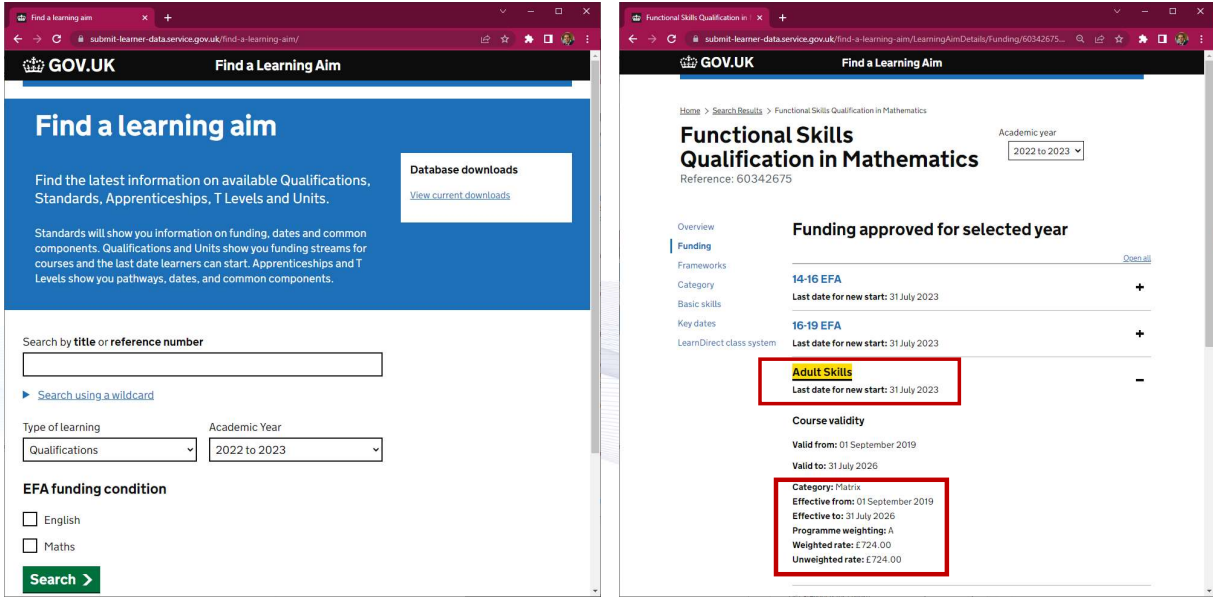
<https://guidance.submit-learner-data.service.gov.uk/22-23/ilr/entity/LearningDelivery/field/AddHours>

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Using the 'Find a learning aim' system

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<https://submit-learner-data.service.gov.uk/find-a-learning-aim/>

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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

<https://submit-learner-data.service.gov.uk/find-a-learning-aim/>

Category

- ☐ Local Enterprise Partnership Initiatives
- ☒ Local Flexibility
- ☐ Mayoral Combined Authorities (MCA) and Greater London

Category

- ☒ Class Code Category A: Non Regulated Provision (SFA Formula Funded)
- ☐ Class Code Category B: Non Regulated English, Maths and ESOL

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Creating an AEB course dynamic funding profiler

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Adult Education Budget funding calculator [summary of courses] v1.0

Disclaimer: This calculator is intended as a training tool, and only serves only as a guide to Adult Education Budget funding. Therefore, you should always do your own homework and source information yourself. In particular, the latest relevant Education and Skills Funding Agency documents should always serve as the definitive source of information. Lsect is not responsible for the consequences of any decisions or actions taken in reliance on the information provided and all queries about rates and rules should be made to the ESFA by emailing side.servicedesk@education.gov.uk

AEB 2022/23	AEB carry-in to 2023/24	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-22	Jul-23	12345678	Award in subject 1	qwertya	20	12.5	36	450	£35,000	£2,250	£37,250	£40,500	£3,250

Note: This is the data input sheet, and is not designed for printing.

To add a courses, click on the row number to select the whole row, and then copy and paste the whole row into the row below. They will then appear in the summary sheet.

To allow for adding course rows all cells in this sheet remain unprotected, so ONLY CHANGE DATA WITHIN THE BLUE CELLS

Start month	End month	Learning Aim	Course Title	Internal course code	Hours per week	Weeks	Base rate	PW	DU	ACU	Starts Fully-funded	Starts Co-funded	Fee per Co-funded start	Cost per hour (direct)	Cost per hour (indirect)	AEB adjustment for RBA	Hour
Sep-22	Jul-23	12345678	Award in subject 1	qwertya	12.5	36	£2,000	1.00	1,000.00	1.00	15	5	£450	£50	£40	100%	450

A copy of the spreadsheet will be emailed to you

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Key planning factors to remember

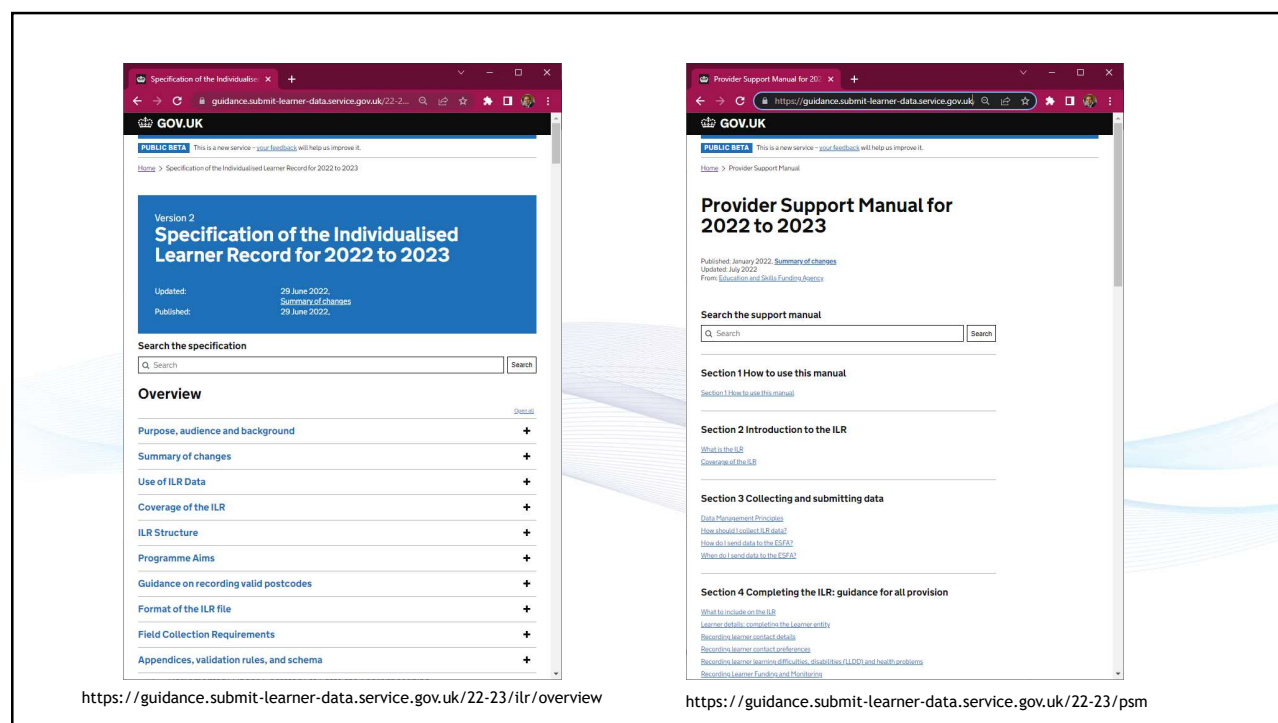
- > It is a per enrolment funding system (so larger classes usually mean more efficiency)
- > In-year funding methodology (such as disadvantage uplift) makes for fair income and expenditure models, but use averages when planning
- > Not every enrolment will be funded as a start and not every start will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

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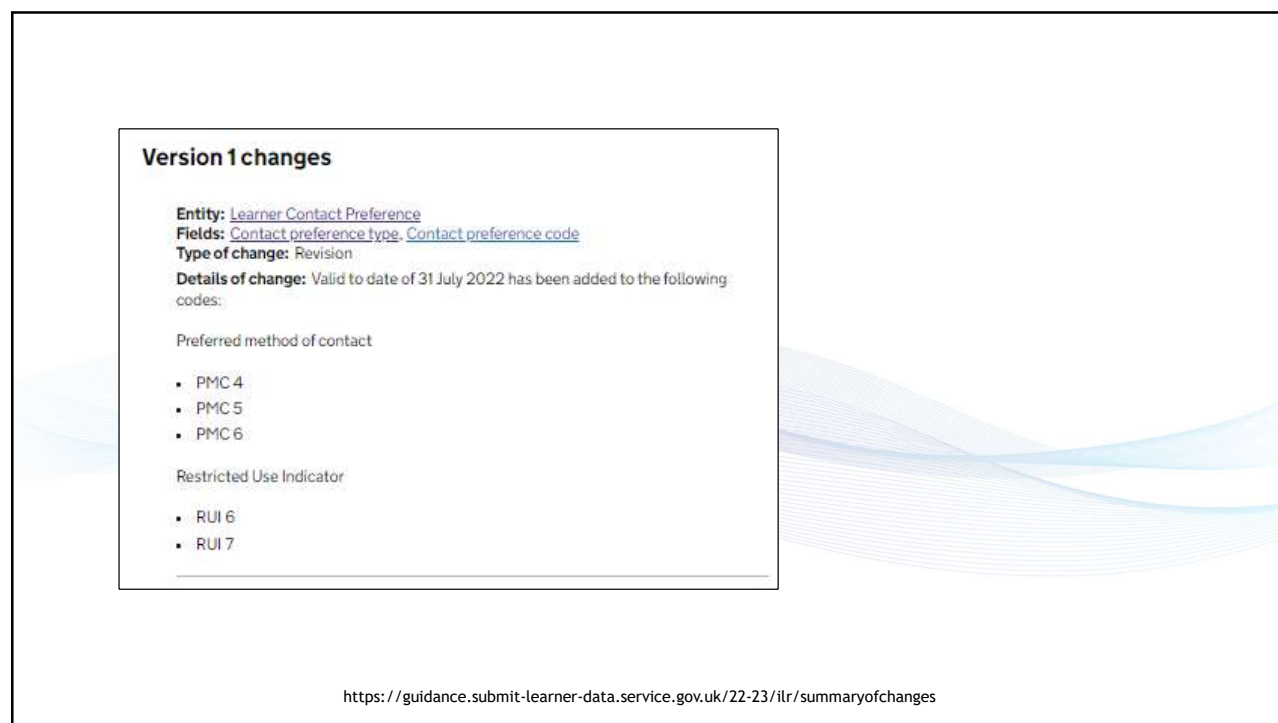
Key ILR issues and related tools in 2022/23 (incl ESFA portals and FIS)

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Key ILR fields used by funding software

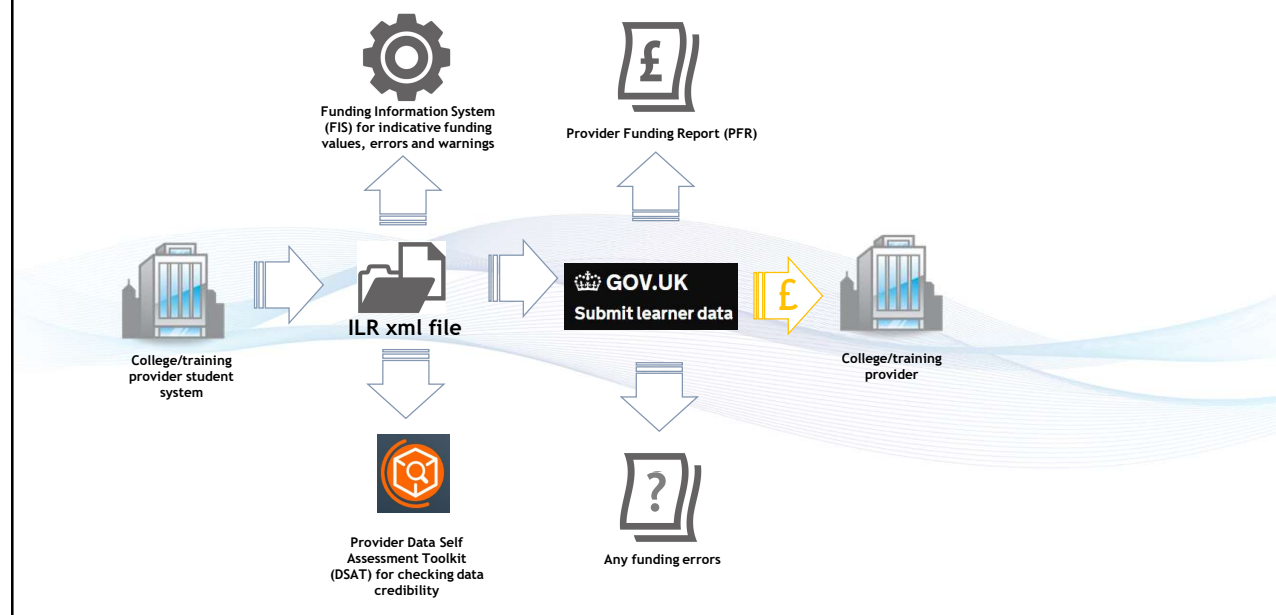
- > Funding model
- > Learning aim
- > Start date
- > Planned and actual end date
- > Completion status
- > Outcome

Also employment status (ESF match issues)

And how important will the Destination and Progression records become?

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Individualised Learner Record and related tools



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Funding audit for AEB and the use of the PDSATs

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ILR data: provider data self-assessment toolkit (PDSAT)

Provider data self assessment toolkit (PDSAT) and reports to help FE providers make accurate and complete individualised learner record (ILR) data returns.

From: [Education and Skills Funding Agency](#)
Published 29 July 2019
Last updated 14 December 2021 — [See all updates](#)

[Get emails about this page](#)

Applies to England

Documents

[Reviewing provider data self assessment toolkit \(PDSAT\) reports for 2021 to 2022: user guide](#)
PDF, 703 KB, 113 pages
This file may not be suitable for users of assistive technology.
[Request an accessible format](#)

Related content

[ESFA financial assurance: monitoring the funding rules](#)
[Check how accurate your ILR data is with FIS](#)
[Apprenticeship technical funding guide](#)

Collection

[Individualised Learner Record \(ILR\)](#)

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

Education & Skills Funding Agency

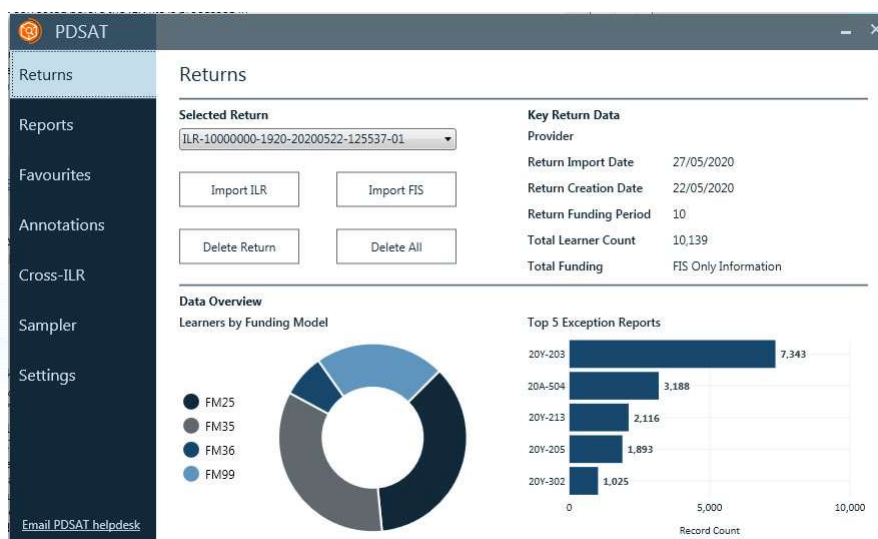
Provider Data Self-Assessment Toolkit (PDSAT)

Reviewing PDSAT reports for the 2021 to 2022 funding year: User guide

December 2021

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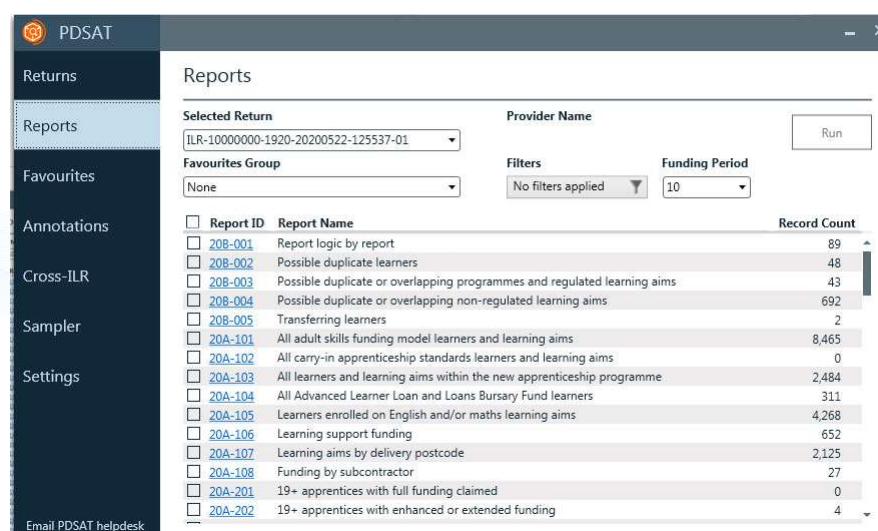
Provider Self Assessment toolkit (PDSAT)



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

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There are more than 80 PDSAT reports



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Post-16 monitoring reports

New and recently added reports

Available from R04 2022 to 2023

FRM38 - Learners undertaking English and/or maths within AEB when they have already achieved their legal entitlement.

The screenshot shows the 'Using the post-16 monitoring reports dashboard' section of the dashboard. It includes a table of contents on the left, a main content area with introductory text, and a section on 'Accessing the dashboard'.

Contents

- Introduction
- Summary of changes
- Using the post-16 monitoring reports dashboard
- Accessing the dashboard
- Filters
- Viewing and exporting data
- Publication dates

Using the post-16 monitoring reports dashboard

We will share the data we analyse with you through the post-16 monitoring reports dashboard every month from December (R04), with the latest school census data (S02) being incorporated in the following spring. Our expectation is that you will use the dashboard as part of your routine data quality and submission cycles to proactively address potential errors.

Providers should check data error reports as usual, whilst being aware that amendments made by school census submitters may not appear in the dashboard until after we have processed the data submitted at the next autumn census. Therefore, you will need to pay attention to this between census submissions. There is a new filter allowing data to be viewed from the ILR only, SC only or both which may help filtering these out between census submissions.

The dashboard contains data which will help you to identify and understand the highlighted issue(s) including details of qualifications previously achieved by the learner, other providers involved in delivery and SLC data from the [Learning Provider Portal](#). We also include calculated earnings for the delivery so that you are aware of the potential funding impact if you have not corrected errors by year-end.

We will continue to use the same report numbering convention across years for consistency and to avoid confusion. If we remove any reports from the plan, any new ones added will have a new unique number.

Accessing the dashboard

To access the post-16 monitoring dashboard, you will need to log into [View your education data](#). You will need an [IDAMS account](#) with the 'view your education data - post-16 monitoring' user role and associated with a UKPRN to access the dashboard securely.

Your organisation's super user will be able to grant you the correct user role. Once successfully logged in, you will have the option to select 'Data quality and assurance', following which you should see a link to the 'post-16 monitoring reports dashboard' (along with any other dashboards you have access to) and you click on 'Dashboard'.

<https://www.gov.uk/government/publications/financial-assurance-monitoring-post-16-funding/financial-assurance-monitoring-post-16-funding-for-2022-to-2023>

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Example FRM report within the post-16 monitoring reports

The screenshot shows the 'FRM16 - Learners who have achieved a full level 2 qualification (or higher) and are fully funded for a further level 2 entitlement aim' report. It includes a table of contents on the left, a main content area with 'Changes from previous funding year', 'Funding streams reviewed', 'Relevant guidance', 'What you need to do (ILR providers)', and 'What we will do (ILR providers)'.

Summary of changes

- Using the post-16 monitoring reports dashboard
- Accessing the dashboard
- Filters
- Viewing and exporting data
- Publication dates

FRM16 - Learners who have achieved a full level 2 qualification (or higher) and are fully funded for a further level 2 entitlement aim

Changes from previous funding year

We have amended this report to account for changes to the way prior attainment is reported in the ILR for 2021 to 2022.

Funding streams reviewed

Adult education budget (National)

Relevant guidance

If a learner aged 19 to 23 has achieved a level 2 qualification that was at the time they started, or still is, classed as a full level 2, then any subsequent level 2 qualifications will be co-funded, including where the learner has achieved any qualification higher than level 2. The only exception is where the learner is unemployed or funded through the low wage pilot.

What you need to do (ILR providers)

Correct data, learner is ineligible.

You must recode the aims with Funding model code 99, or follow provider support manual guidance on correcting data errors after hard close of the previous year (aims with an incorrect funding model).

What we will do (ILR providers)

If there are errors outstanding in this report at R14, we will recover any funding overclaim.

<https://www.gov.uk/government/publications/financial-assurance-monitoring-post-16-funding/financial-assurance-monitoring-post-16-funding-for-2022-to-2023>

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Future of national AEB and current consultation

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What changes for next year - maybe?

“Simplifying the funding system through a single Skills Fund starting in 2023/24. The new fund will include funding for Adult Education Budget (AEB) provision including Community Learning and Free Courses For Jobs (FCFJ) - Level 3 adult offer”

“Creating a new set of funding rates for adult skills to both simplify funding and boost funding for training in areas of greatest skills need”

“Introducing a multi-year approach to give both MCAs and providers more certainty”

Department
for Education

**Skills for jobs:
implementing a new
further education
funding and
accountability
system**

Government consultation

Launch date 21 July 2022
Respond by 21 September 2022

<https://consult.education.gov.uk/fe-funding/implementing-a-new-fe-funding-and-accountability-s/>

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Simpler funding rates...

Really?

“These are set by awarding organisations”

Funding for Qualifications

64. Our first consultation proposed moving to a simpler funding formula for provision which the DfE funds direct. For qualifications, this would comprise a simpler set of funding rates which reflected the volume of training and then the cost and value of that provision with area costs applied on top. The majority of respondents agreed with a move to simpler funding rates as set out in the consultation. We also proposed removing the achievement element from the funding system.
65. We want to ensure that we design a simpler and more effective funding approach that can be used for ESFA-funded provision now, but also be used by areas with devolved responsibilities to fund their provision. The current funding matrix has variable underlying funding rates and does not incentivise skills training in those sectors of the economy with the greatest skills needs. This does not deliver on our objectives and therefore we will proceed with the introduction of a simpler set of funding rates. We will, however, retain the achievement factor. Removing this would weaken the focus on outcomes that we want to see.
66. Qualifications will be funded according to a new set of funding bands, each with its own funding rate. We propose having 5 funding bands: base, low, middle, high and specialist. The funding rate will be set on an hourly basis and the funding for any individual course will then be calculated by multiplying this hourly funding rate by the Guided Learning Hours (GLH) for that course. We propose setting relativities between the funding bands at broadly 20% intervals, with precise relativities and actual funding rates confirmed in the autumn alongside final assignment of Sector Subject Areas (SSAs) to funding bands.

<https://consult.education.gov.uk/fe-funding/implementing-a-new-fe-funding-and-accountability-s/>

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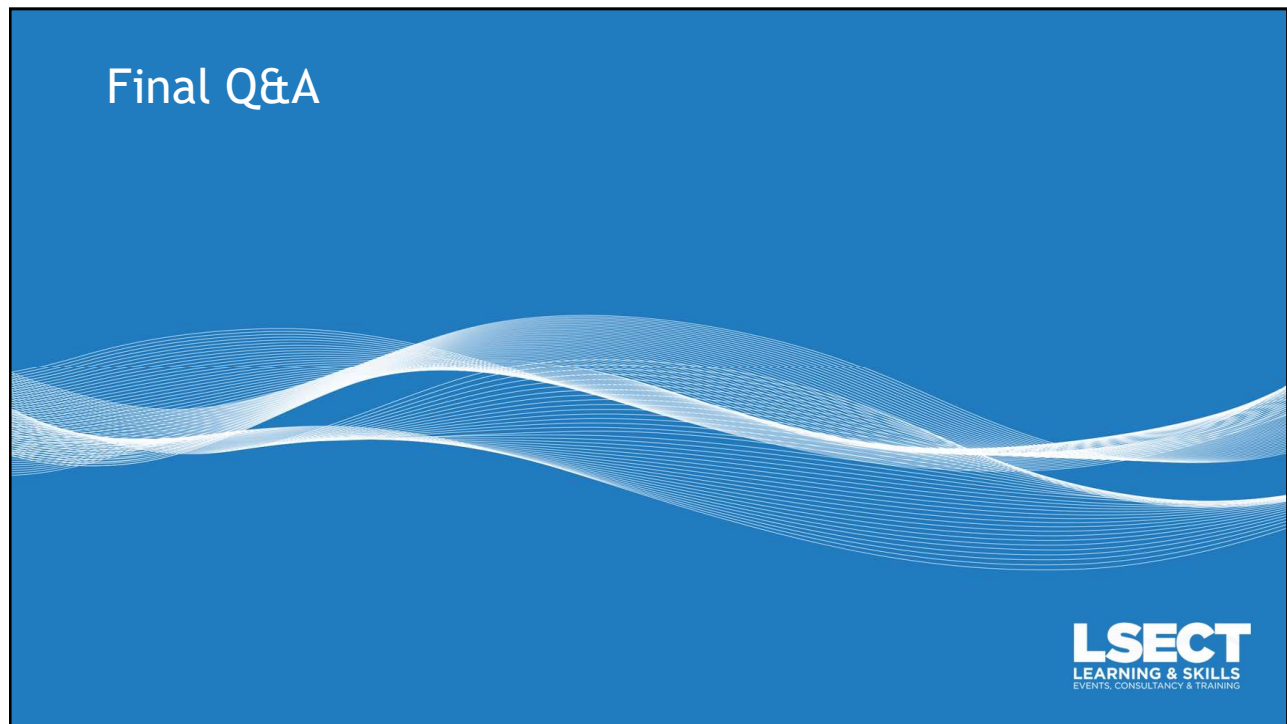
Implementation

211. We will implement our accountability proposals in an iterative way, through extensive engagement and co-design with sector, and plan to introduce each element when it is ready, as shown below:

Figure 3: Implementation timeline for each proposal

	Academic Year 2021 / 22	Academic Year 2022 / 23	Academic Year 2023 / 24	Academic Year 2024 / 25
Skills Fund	Consulting	Implementing		Live
Non-qualification funding		Consulting		Live
New funding rates		Consulting		Live
Local Skills Improvement Plans	Trailblazers	In development		Live
Performance Dashboard	Consulting	Building		Live
Accountability Agreements	Consulting / Piloting	In development		Live
Ofsted enhanced inspections	Consulting / Piloting			Live
Single improvement plans	Consulting / Piloting			Live
Last resort powers	Legislating			Live
Improved data	Discovery phase	Alpha phase	Public beta phase	Live

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