



# 19+ allocations technical guidance for 2019 to 2020

## Introduction and purpose

1. This document sets out the methodologies and technical details for the following allocations for the 2019 to 2020 funding year:
  - ESFA funded adult education budget (AEB) including continuing learners and 19-24 traineeships
  - Advanced learner loan facilities and bursaries
  - 16-18 traineeships (for providers that do not have a 16-19 funding agreement)
  - Apprenticeship carry-in (non-procured)
2. For further information about 2019 to 2020 allocations, please see the 19+ funding allocations page on [GOV.UK](#).
3. You should read this document together with the relevant [funding and performance management rules](#) for the 2019 to 2020 funding year.

## Understanding the terminology

4. The terms 'we' and 'ESFA' refer to the 'Education and Skills Funding Agency' and associated staff.
5. When we refer to 'you' or 'providers', this includes colleges, higher education institutions, training organisations, local authorities and employers that receive funding from us to deliver education and training.

## Allocation statement

6. Your allocation statement is available to view on [Manage your Education and Skills Funding](#).
7. You need one of the following roles to view your allocation statement:
  - contract authoriser
  - contract manager

- contract user
- data returns and claims authoriser

8. You can request a new role through [IDAMs](#) (the Identity and Access Management Service) or by asking your organisation's super user.

9. Your allocation statement will show how much we have allocated to you for the period 1 August 2019 to 31 July 2020 and how this spans financial years (August 2019 to March 2020 and April 2020 to July 2020).

10. For direct links to more information and the 19+ funding allocations page on [GOV.UK](#) please navigate to the *Related Content* section of the statement.

11. To view how we have calculated your allocation, use the link provided to gov.uk '*check how we calculated your allocation (opens in a new tab)*'. This will take you to calculators that require you to enter information and will provide explanations of the steps in our calculations.

12. If we have calculated a £0 allocation for you for ESFA funded adult education budget, 16-18 traineeships or advanced learner loans, those funding streams will not show on your allocation statement. We will write to you separately if this applies to you. In the near future, allocation statements will be updated to show £0 allocations.

13. If you merged prior to allocations being issued and we have received confirmation from your organisation, we have calculated allocations separately for each of the merging providers and aggregated them for the continuing provider.

14. You will not receive an allocation statement if:

- we have held it: we will review allocations on hold following allocations being issued
- you have received notice that we are terminating your contract.

15. If we change your allocation, we may update your original allocation statement. You will be able to view all versions of your statements on [Manage your Education and Skills Funding](#).

16. Allocation statements are not legally binding. They do not create any legal obligation against the Secretary of State for Education, acting through the Education and Skills Funding Agency.

## Business case process

17. If you had a significant data error that affected your ESFA funded AEB, advanced learner loan or 16-18 traineeships allocation, you had until 5 April 2019 to raise a business case with us.

18. The deadline for apprenticeship carry-in business cases is 13 September 2019. This is to address significant R10 data errors that have affected the allocation we have calculated for you or if you have a high volume of late achievers or restarts and your allocation is not enough to cover the cost of these learners.

19. We will not accept any cases submitted after the deadlines or any requests for additional apprenticeships carry-in funding that are not linked to data errors, late achievers or restarts.

20. The deadline for ESFA funded AEB continuing learner business cases is 30 October 2019. This is to address significant R12 data errors.

21. For information about how to raise a business case, please see the business case section of our 19+ funding allocations page on [GOV.UK](#).

## Allocation methodologies

### ESFA funded adult education budget (AEB)

22. This section refers to your ESFA funded adult education budget (AEB) allocation. If you have a query about the AEB funding allocated by a Mayoral Combined Authority or the Greater London Authority, please contact them directly.

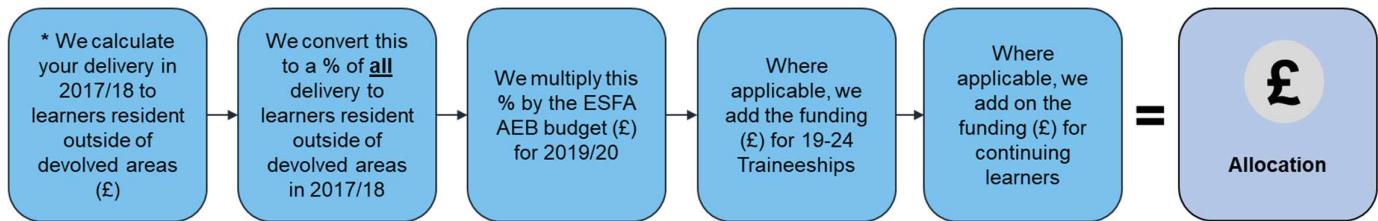
23. ESFA will fund learners resident outside devolved areas and will continue to provide funding for continuing learners both inside and outside devolved areas (learners that were in learning in 2018 to 2019 and will not complete their programmes by 31 July 2019). 19 to 24 traineeships will remain a national programme with funding provided by ESFA irrespective of where the learner resides in England.

24. Your allocation builds on the illustrative allocation we gave you in December 2018.

25. It is important that you pay close attention to the different allocation values you may have for each element of your ESFA funded AEB allocation. You can do this in [Manage your Education and Skills Funding](#) by using the drop down '*how your ESFA funded adult education budget grant is broken down*' or by downloading the PDF version of the statement:

- Adult skills: this includes learning support and - for grant allocations only - learner support
- Community learning: non-formula funded community learning value (grant only)
- Learner support: value identified separately for contract for service allocations
- 19-24 traineeships
- Continuing learners in a devolved area
- Continuing learners outside a devolved area

26. We have used full-year 2017 to 2018 (R14) data to calculate 2019 to 2020 ESFA funded AEB allocations using the following methodology:



\* Grant funded = delivery from 1<sup>st</sup> August 2017 to 31<sup>st</sup> July 2018

Contracts for service = delivery from 1<sup>st</sup> November 2017 to 31<sup>st</sup> July 2018 on procured and run-down contracts, increased to a 12-month value based on standard national profile (26.5%)

27. We calculate adult skills, learner support and non-formula funded community learning values separately.

28. The calculation on which learners were resident outside devolved areas was based on each AEB learner's 'home' postcode prior to enrolment. Our [published narrated presentation](#) sets out the technical detail of how residency calculations work across data from the individualised learner record (ILR), earnings adjustment statement (EAS) and funding claims.

29. We published AEB full-year provider level delivery data from 2017 to 2018 on [gov.uk](#) in February 2019. We used this data to set allocations. Note that the published data does not include funding for 19-24 traineeships or continuing learners.

30. We have applied the following technical details to ensure allocations are accurate:

- **Non-formula funded community learning over delivery removed prior to calculating 2019 to 2020 allocation:** our performance-management rules set out that we will not fund non-formula funded community learning over delivery. We have therefore not consolidated non-formula funded over-delivery from 2017 to 2018 into 2019 to 2020 allocations. We have not offset non-formula funded community learning over-delivery against adult skills under-delivery in 2017 to 2018.
- **Contract for services non-formula funded community learning funding redistributed to local authorities:** the AEB procurement exercise run for the 2017 to 2018 year did not include non-formula funded community learning as one of the areas of provision being purchased. This meant that a number of contract for service providers delivering this provision were no longer able to do so. To mitigate a provision gap, in 2018 to 2019 we redistributed non-formula funded community learning funds to a number of local authorities in the same geographic areas that the contract for service delivery had taken place. We have included the 2017 to 2018 delivery to residents outside devolved areas in 2019 to 2020 allocations for these local authorities.
- **Non-formula funded community learning:** in 2017 to 2018, some providers used flexibility within AEB funding rules to spend some of their non-formula funded

community learning on adult skills. To ensure these providers can continue to take advantage of this flexibility, we have not adjusted allocations to reflect their use of it in 2017 to 2018. We have restored the funds spent on adult skills for learners outside devolved areas in 2017 to 2018 into the non-formula funded community learning element of 2019 to 2020 ESFA funded AEB allocations.

- **Data/reconciliation errors:** we have made a small number of adjustments to the 2017 to 2018 delivery data where there were known issues with providers' final ILR returns but due to the hard close date providers could not change their return.
- **Unfunded over-delivery from 2017 to 2018:** we have applied a cap to 2019 to 2020 allocations to ensure we do not consolidate significant unfunded over-delivery from 2017 to 2018. The cap is set at 103% of your current 2018 to 2019 allocation.
- **Track record:** providers with a notice to improve for financial control, minimum standards or inspection have not had 2017 to 2018 over-delivery consolidated into their 2019 to 2020 allocation. This is consistent with our performance-management rules.

### AEB continuing learners

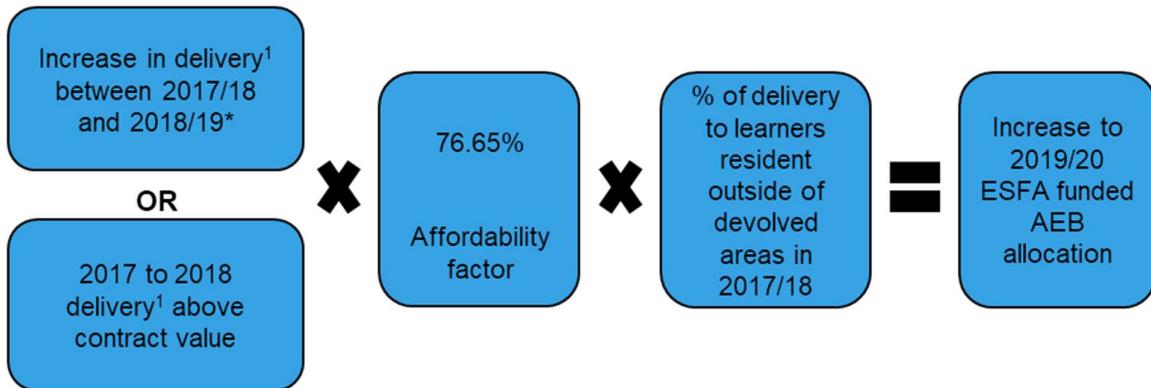
31. In 2019 to 2020, for one year only, we will fund AEB learners that were in learning in 2018 to 2019 but did not complete their programme by 31 July 2019, regardless of where they reside.
32. We included an illustrative funding value for continuing learners in your March 2019 allocation statement and noted that this value may differ from actual funding calculated for 2019 to 2020.
33. We have updated your statement, using your R12 (July 2019) ILR data submission by looking at the cost of learners that are continuing from 2018 to 2019 into 2019 to 2020. We have forecast the full-year cost of these learners and assumed that all learners will achieve on their planned end date.
34. We have added a proportion of funding to the cost of your continuing learners for learner support. This is based on the percentage of learner support delivered against your total AEB in 2017 to 2018 and is capped at 50%.
35. We have also added a value for any non-formula funded community learning learners by looking at the cost of learners that continued from 2016 to 2017 into 2017 to 2018. This is the same value used in the illustrative continuing learners funding set out in your March statement.
36. We show continuing learner funding on your allocation statement as follows:
  - Continuing learners in a devolved area – this is for 2019 to 2020 only and will not be consolidated into your ESFA funded AEB allocation beyond 31 July 2020.

- Continuing learners outside a devolved area – this will be included in your ESFA AEB allocation for future years.
37. We will not manage continuing learners separately, in 2019 to 2020 they form part of your overall ESFA funded AEB allocation.
38. It is your responsibility to ensure you meet the cost of continuing learners within your ESFA funded AEB allocation, as you have always done. If you over-recruit learners, we are under no obligation to fund them.

### **Allocations review**

39. When we issued allocations in March, we committed to review allocations in April 2019 using 2018 to 2019 data. Providers in scope for an increase have received an updated allocation statement through MYESF.
40. We have used 2018 to 2019 data to calculate increases to ESFA funded allocations using the following methodology:

The greater of:



<sup>1</sup>Grant funded = full year forecast delivery as reported in mid year (R06) funding claim  
Contract for services = delivery from 1 November to 31 March 2019 as at March 2019 (R08) data return, increased to a 12 month value based on standard national profile (32.95%)

<sup>1</sup>Delivery excludes 19-24 traineeships, non-formula funded community learning over delivery (where applicable) and illustrative continuing learners

41. We will withdraw your increase if your delivery in 2018 to 2019 is significantly less than what you forecast to deliver on your mid-year funding claim forecast. We will review this on receipt of final funding claims in November.

42. We have applied the following technical details to ensure allocations are accurate:

- 19-24 traineeships excluded:** allocations for 19-24 traineeships are calculated separately for 2019 to 2020 funding year. We have excluded any delivery

associated with 19-24 traineeships as this does not form part of the review

- **Non-formula funded community learning over delivery removed prior to calculating 2019 to 2020 allocation:** our performance-management rules set out that we will not fund non-formula funded community learning over delivery. We have therefore not consolidated non-formula funded over-delivery from 2018 to 2019 into the review. We have not offset non-formula funded community learning over-delivery against adult skills under-delivery
- **Illustrative continuing learners:** the 2017 to 2018 delivery data used to calculate 2019 to 2020 AEB allocations excludes funding for learners that continued from 2017 to 2018 into 2018 to 2019. We do not know the value of funding required for learners continuing into 2019 to 2020 yet as this will be calculated using July 2019 (R12) data returns. We have therefore removed the illustrative continuing learners funding (shown on your March allocation statement) from your 2018 to 2019 delivery to enable a direct comparison
- **Restricting over-delivery from 2017 to 2018:** we have applied a cap to 2019 to 2020 allocations to ensure we do not consolidate significant unfunded over-delivery from 2017 to 2018. The cap is set at 130% of your current 2018 to 2019 allocation.

### Other useful information

43. You can voluntarily reduce your 2018 to 2019 and/or 2019 to 2020 allocation to help mitigate any risks you face repaying under-delivery to us.

44. 2019 to 2020 is the third year of contracts for service awarded through the AEB procurement in 2017 to 2018. We will communicate future arrangements for these contracts in due course.

### 19-24 traineeships

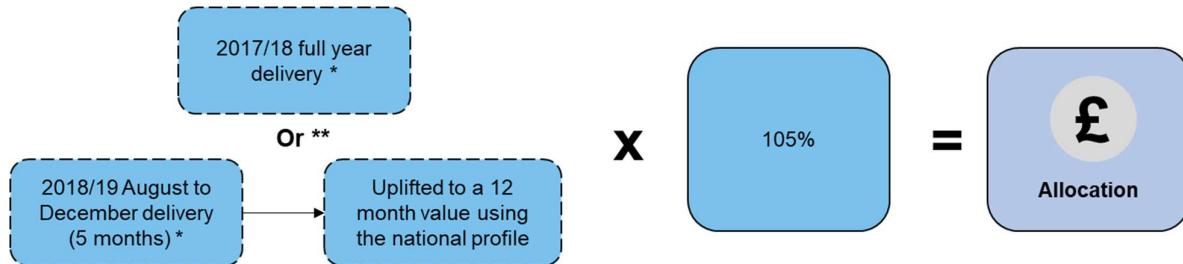
45. 19-24 traineeships are being managed as a national programme for 2019 to 2020 (they are not being devolved). It is an ‘of-which’ of ESFA funded AEB allocations and we will manage it as a separate allocation line. We will not allow virement of funds between 19-24 traineeships and ESFA funded AEB.

46. We have calculated 19-24 traineeship allocations for the 2019 to 2020 funding year for providers that:

- have an adult education budget contract for the 2018 to 2019 funding year and
- delivered 19-24 traineeships in the 2017 to 2018 and/or 2018 to 2019 funding year as at R05 (December 2019)

47. We have used the following methodology to calculate allocations:

### 19-24 traineeships



\* For contract for services this is 2017/18 delivery on procured and run-down contracts between November 2017 and July 2018 uplifted to a 12 month value using the national profile

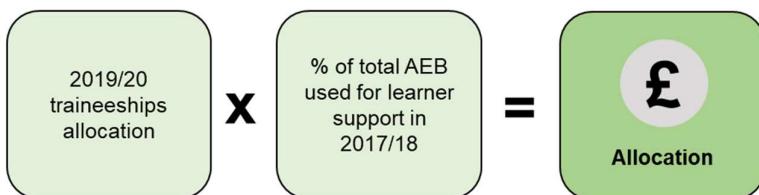
\*\* Uses the greatest of 2017/18 full year delivery or 2018/19 delivery uplifted to a 12 month value

48. We have not issued you with a 19-24 traineeship allocation if your historic delivery was so low it would have resulted in us allocating you less than £1,000.

49. We have uplifted your 2019 to 2020 allocation to £5,000 if the allocation we calculated for you is greater than £1,000 but less than £5,000.

50. If you have an AEB allocation in the 2018 to 2019 funding year and you wish to deliver 19-24 traineeships in 2019 to 2020, you can request an allocation of up to £25,000 through our performance-management process. Please see the [adult education budget funding and performance-management rules](#) for the 2019 to 2020 funding year for more information.

### 19-24 traineeships learner support



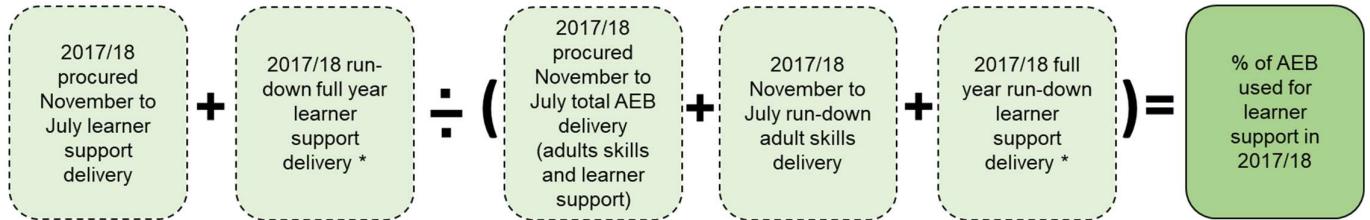
51. As 19-24 traineeships are now a separate element of ESFA funded AEB, we have included learner support funds as part of your 19-24 traineeship allocation.

52. We have made an assumption on how much learner support funding you will need based on the proportion of learner support you have used within your AEB delivery. To calculate this we have used the following methodologies:

### Grant



### Contract for service



\* Learner support funding is claimed through funding claims and cannot be split by month so we only know the full year value. Community learning delivery is excluded.

53. We have set a £500 minimum allocation for 19-24 traineeship learner support. If the allocation we calculated for you was less than this, we uplifted it to this value.

## Advanced learner loan facilities and bursaries

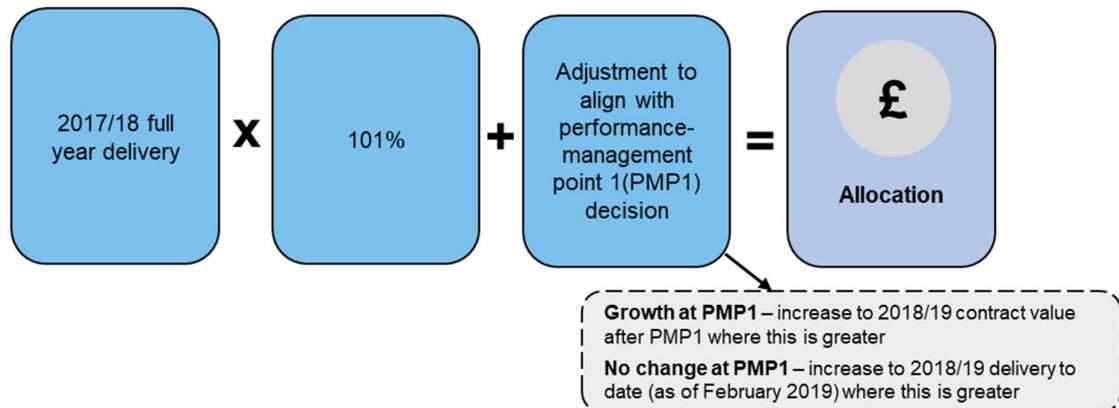
### Loans facility

54. We have calculated advanced learner loan facility allocations for the 2019 to 2020 funding year for providers that:

- have an advanced learner loan facility for the 2018 to 2019 funding year
- used their advanced learner loans facility in the 2016 to 2017 and/or 2017 to 2018 and/or 2018 to 2019 funding year

55. We have used the following methodology to calculate allocations:

### Advanced learner loans facility



56. Your delivery is based on approved, attended and paid loans applications from the Student Loans Company.

57. We have set a minimum facility allocation of £1,000. If the facility we calculated for you was less than this, we uplifted it to this value.

58. If you received a loans facility for the first time in 2018 to 2019, we have rolled-forward this value for 2019 to 2020. We will not award you the 1% increase.

59. If you did not use your loans facility or you did not have a loans facility in 2017 to 2018, we have based your facility allocation on your 2018 to 2019 delivery to date (as at February 2019).

60. If you did not use your loans facility in 2017 to 2018 and 2018 to 2019, we have based your facility allocation on 50% of your 2016 to 2017 delivery.

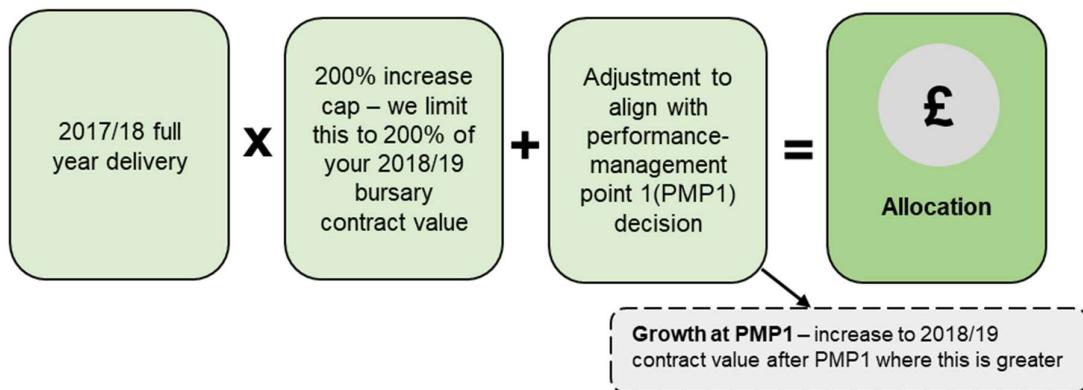
61. We have not issued you with a facility if you have not used your loans facility in 2016 to 2017 and 2017 to 2018 and to date in 2018 to 2019. If this applies to you and you wish to deliver in 2019 to 2020, you can request a facility of up to £50,000 through our performance-management process. Please see the [advanced learner loans funding and performance-management rules for the 2019 to 2020 funding year](#) for more information.

62. If you have a track record issue (i.e. you are under a notice for minimum standards in education and training, financial control or inspection) then your 2019 to 2020 facility allocation will be no greater than your 2018 to 2019 contract value as at February 2019.

## Loans bursary

63. We have used the following methodology to calculate loans bursary allocations:

### Advanced learner loans bursary



64. We have set a minimum bursary allocation value of £500. If the allocation we calculated for you was less than this, we uplifted it to this value.

65. If you did not use your loans bursary in 2017 to 2018, we have based your allocation on 50% of your 2016 to 2017 delivery.

66. If your 2018 to 2019 loans facility was not changed at performance-management point 1 in 2018 to 2019, your 2019 to 2020 bursary allocation will be set at your 2018 to 2019 initial bursary contract value.

## 16-18 traineeships (for providers that do not have 16-19 funding)

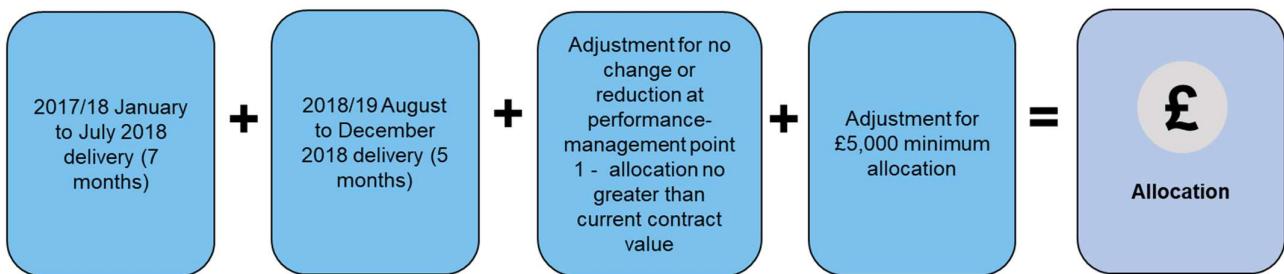
67. We have calculated 16-18 traineeship and bursary 2019 to 2020 funding year allocations for providers that:

- have a 16-18 traineeships contract for the 2018 to 2019 funding year
- do not have a 16-19 funding agreement: 16-18 traineeships for providers with 16-19 funding agreements are calculated through different arrangements, see the 16-19 funding page for more information
- delivered 16-18 traineeships in the 2017 to 2018 funding year and/or 2018 to 2019 funding year as at R05 (December 2019).

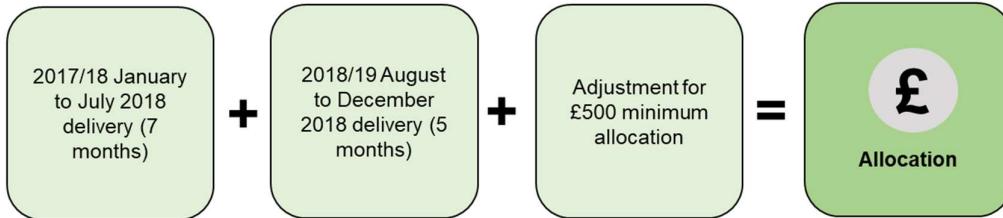
68. We have not issued you with an allocation if you did not record any delivery in 2017 to 2018 and have not recorded any delivery to date in 2018 to 2019. You had until 5 April 2019 to request an allocation through our business case process.

69. We have used the following methodology to calculate allocations:

### 16-18 traineeships



### 16-18 traineeships bursary



70. We have applied a £5,000 minimum allocation for 16-18 traineeship allocations and a £500 minimum allocation for bursary allocations. If the allocation(s) we calculated for you were less than these, we uplifted them to these values respectively.

71. If you have a track record issue (i.e. you are under a notice for minimum standards in education and training, financial control or inspection) then your 2019 to 2020 allocation will be no greater than your 2018 to 2019 16-18 traineeships contract value as at February 2019.

## **Apprenticeships carry-in (non-procured)**

72. Apprenticeship carry-in allocations for the 2019 to 2020 funding year were issued in July 2019 through [Manage your Education and Skills Funding](#).

73. We have used your R10 (May 2018) data return and our standard carry-in allocations methodology set out below to calculate the funding required in 2019 to 2020 for learners that started:

- before 1 May 2017 (under the old funding system)
- with non-levy employers between 1 May and 31 December 2017 (under the new funding system)
- with non-levy employers between 1 January and 31 March 2018 (if you were offered a 3 month run-down extension as a result of being unsuccessful in the non-levy procurement).

## **Allocations methodology**

74. We have used the following methodology to calculate apprenticeship carry-in allocations for the 2019 to 2020 funding year. Allocations only include funding that will be earned between 1 August 2019 and 31 July 2020.

### **75. Before 1 May 2017 (under the old funding system)**

#### **76. For frameworks:**

- Identified apprentices that started before 1 May 2017, or restarts after the 1 May 2017 under the old funding system, and were still in learning before 1 August 2019
- calculated the future cost of these apprentices including learner support.

#### **77. For standards:**

- Identified apprentices that started before 1 May 2017, or restarts after the 1 May 2017 under the old funding system, and were still in learning before 1 August 2019
- Calculated the future cost of incentives and Maths and English for these apprentices including learner support
- Calculated the remaining value of government contributions not yet paid and converted this into a theoretical on-programme payment based on the planned end date.

### **78. With non-levy employers between 1 May and 31 December 2017 (under the new funding system)**

- Identified apprentices that started between 1 May and 31 December 2017 and were still in learning before 1 August 2019
- Calculated the future cost of these apprentices, including the cost of: Maths and English, learning support, additional payments, disadvantage funding and the 16-18 framework uplift where appropriate
- Used the 90% co-investment rate for programme aim funding except where exemptions apply as set out in the funding rules (for example, where the small employer waiver applies for eligible learners).

**79. With non-levy employers between 1 January and 31 March 2018 (if you were offered a 3 month run-down extension as a result of being unsuccessful in the non-levy procurement)**

- Identified apprentices that started between 1 January and 31 March 2018 and were still in learning before 1 August 2019; this applies only to providers unsuccessful in the procurement
- Calculated the future cost of these apprentices, including the cost of: Maths and English, learning support, additional payments, disadvantage funding and the 16-18 framework uplift where appropriate
- Used the 90% co-investment rate for programme aim funding except where exemptions apply as set out in the funding rules (for example, where the small employer waiver applies for eligible learners).

80. We have then rounded these values up to the nearest £100 and added them together to calculate your allocation.

81. Our methodology assumes:

- all apprentices remain on programme until their planned end date and earn all on programme payments due
- there is no drop-out
- all apprentices achieve on their planned end date and earn their achievement payment on this date

82. We have applied a £3,000 minimum allocation. If you have an apprenticeships carry-in contract for the 2018 to 2019 funding year you will receive at least £3,000.

83. We will review whether the value of your carry-in delivery exceeds your contract value in spring 2020.

84. Where necessary, we will allocate funds beyond 31 July 2020 to ensure you can continue to fund apprentices that have not completed their apprenticeship by then. We will let you know your carry-in allocation for the 2020 to 2021 funding year in the summer of 2020.

85. Your apprenticeships carry-in allocations remains separate from:

- your procured non-levy apprenticeships contract value for new starts from 1 January

2018 (if you were successful in the procurement)

- any funding you may be earning through your work with levy-paying employers