Education & Skills
Funding Agency

Coronavirus (COVID-19) specific criteria: Funding support for Independent Learning Providers delivering 16 to 19 study programmes

As a result of coronavirus (COVID-19), all 16 to 19 education providers have been asked to continue to deliver their provision online where possible. The Education and Skills Funding Agency (ESFA) recognises that the recruitment patterns and education delivery for Independent Learning Providers (ILPs) may be affected as a result of coronavirus (COVID-19). In some cases, ILPs may be recruiting fewer part-time students than they would normally recruit between March 2020 to July 2020. This will impact on the level of funding that these students would usually attract and will result in clawback of funds for 2019 to 2020.

The ESFA will support ILPs whose recruitment of students, to a 16 to 19 study programme, have been limited due to the lockdown situation and who have faced clawback for under performance. Providers in this category will need to apply by submitting a business case requesting the clawback is adjusted for 2019 to 2020. We will, for approved cases, base the expected delivery in March to July on the previous year's delivery for students recruited between 1 March 2019 and 31 July 2019, taking up to half of this into account. In addition to this we will add the actual delivery for students recruited between March 2020 and July 2020, up to a maximum of 100% of the 2018 to 2019 funded delivery for March 2019 to July 2019. No clawback relief is possible if the cash delivery in 2019 to 2020 exceeds the cash delivery in 2018 to 2019 for the period from 1 March to 31 July for each year. We have, in annex 1, shown some examples of how this will work.

To further support ILPs we are extending the clawback period to include January 2021 to March 2021. The clawback that is planned for July 2020 will be included into the re-profiling, from August 2020 to March 2021. This does not need to be requested and will be shown in the R10 reconciliation statement. There may be a small number of exceptions where a risk to ESFA and public funds is identified. In these instances, we cannot delay July 2020 clawback, but we will extend the clawback profile until March 2021.

We will include this relief on a provisional basis in the R10 reconciliation. To be considered for support for the R14 reconciliation, affected ILPs must submit a business case in September 2020, requesting an adjustment to the clawback for 2019 to 2020. We will calculate the value of this adjustment for all relevant ILPs and send a statement setting out the analysis of the data with the R10 Reconciliation Statement. This statement will be revised in September 2020 when we have R13 data and details of all eligible recruitment for June 2020 and July 2020. After ILPs have received the R13 statement they should make a business case before the end of September 2020.

June 2020

This funding support is a one-off in response to the unexpected disruption caused by the arrival of coronavirus (COVID-19) and ILPs should not expect this to be repeated in future.

Prior to submitting a business case, ILPs should ensure that their delivery fully complies with the 2019 to 2020 academic year 16 to 19 education funding guidance and that they have fully complied with ILR data requirements.

Please note that the ESFA can only accept business cases from individual institutions. So, for example, an association or a subcontracted provider should not submit a business case on behalf of a contracted provider.

ILPs should not seek support from Coronavirus Job Retention Scheme (CJRS) to furlough staff whose salaries are paid from continuing ESFA (or any other public) income. Financial support provided by ESFA would count as public funding for the purposes of conditions covering the CJRS. Further details can be found in the CJRS guidance published on 26 March 2020.

ILPs submitting a business case must demonstrate they have not received support from the CJRS to furlough staff involved in the continued direct delivery of provision remotely of 16 to 19 study programmes and where possible recruitment of 16 to 19 students between March 2020 to July 2020.

The Department for Education (DfE) is considering appropriate measures to monitor use of claims from CJRS in order to detect any duplication of public funding and will be considering potential options to recover misused public funding as required.

Submitting a business case

To submit a business case, ILPs must complete a business case template and will need to:

- set out the circumstances to show what their position has been with 16 to 19 in-year recruitment from March 2020 to July 2020, and how this is affecting and will affect their delivery
- make sure the planned hours are reasonably matched to actual delivered hours for students who have been recorded as meeting the retention requirements – for example achieving their core aim
- ensure delivery fully complies with the guidance and that students enrolled by the ILP have not been funded on a full-time basis at other funded institutions earlier in the funding year
- confirm whether any staff engaged in education delivery of 16 to 19 study programmes have
    - been made redundant since March 2020 or
    - been furloughed under the CJRS

- confirm any other expected government coronavirus (COVID-19) financial support, including that from combined mayoral authorities, local authorities and business support packages
- confirm that their latest Ofsted rating allows them to recruit 16 to 19 students between March 2020 to July 2020
- confirm they have supported students with online delivery for the full funding year
- state they submitted their latest financial accounts to the ESFA on time

Business cases should be submitted by the ESFA online enquiry form.

Annex 1: Examples

Scenario 1:

- an ILP's allocation is £1,000,000 in 2019/20 and it delivers £850,000 up to the end of February 2020
- between March 2020 and July 2020, the ILP delivers £50,000 of activity but last year it delivered £150,000 during this period
- the ILP would get an extra £75,000 (i.e. half of what it delivered between March 2019 and July 2019) in addition to the £50,000 delivery this year.
- the provider would receive 97.5% of its allocation (£975,000), the rest being subject to clawback

[1] There is always a 1% tolerance so only 1.5% would in practice be clawed back.

Scenario 2:

- an ILP's allocation is £1,000,000 and it delivers £500,000 up to the end of February 2020
- between March 2020 and July 2020 the ILP delivers £50,000 but last year it delivered £100,000 during this period
- the ILP would get an extra £50,000 (i.e. half of what it delivered between March 2019 and July 2019) in addition to the £50,000 delivery this year
- this ILP would get 60% of its allocation or £600,000, the rest being subject to clawback

Scenario 3:

- an ILP's allocation is £1,000,000 and delivers £800,000 up to the end of February 2020
- between March 2020 and July 2020, it only delivered £100,000 but last year it delivered £300,000 during this period
- the ILP would be in line to get an extra £150,000 (i.e. half of what it delivered between March 2019 and July 2019) in addition to the £100,000 delivery this year. However, we are only reducing clawback via this method and will not increase a provider's delivery to over 100% of allocation. Therefore, the support awarded is only £100,000 (i.e. to take the provider up to 100% of allocation)
- As a result the provider would have no clawback.