



Skills Funding  
Agency

Document reference: E

# Adult education budget funding and performance- management rules

For the 2016 to 2017 funding year (1 August 2016 to 31 July 2017).

## Version 3

July 2016

Of interest to providers and employers

## Contents

Introduction .....	3
Provision and individuals we fund .....	3
Definitions used in the Adult Education Budget .....	4
Unemployed .....	4
Full Level 2 .....	5
Full Level 3 .....	5
A-levels .....	6
Eligible qualifications .....	6
Eligible other provision .....	6
Quality .....	7
What we will not fund .....	7
English and maths for those aged 19 or older .....	7
Individuals aged 19 to 23 (excluding English, maths and ESOL) .....	8
Individuals aged 24 or older (excluding English, maths and ESOL) .....	8
Traineeships .....	9
English for Speakers of Other Languages (ESOL) .....	9
Learners with learning difficulties or disabilities .....	9
Traineeships .....	10
Provider eligibility and contracting .....	10
Learner eligibility .....	10
Traineeship duration .....	11
Traineeship learning .....	11
Advertising traineeship opportunities .....	11
Traineeships: work placement .....	11
Work preparation .....	12
Traineeships: English and maths .....	12
Traineeships: flexible element .....	13
Traineeship funding .....	13
Traineeships: outcomes .....	14
Support for traineeships .....	14
Job outcome payments .....	15
Fees and charging .....	15
Support funding .....	15
Learning support .....	16

Exceptional Learning Support claims above £19,000 .....	16
Learner Support.....	16
Hardship .....	17
20+ Childcare .....	18
Residential Access Funding.....	18
Payments and performance management .....	19
AEB for providers funded through a grant.....	19
Adult Skills .....	20
Former Community Learning .....	20
Discretionary Learner Support.....	20
Requesting an increased 16 to 18 traineeship or AEB funding allocation .....	22
Traineeships and AEB .....	22
Our criteria for awarding growth funding .....	22
Annex A – Standard national profiles .....	23
Annex B – Performance-management points .....	24

## Introduction

- E1. This document only applies to the Adult Education Budget (which we describe below). There are separate rules for apprenticeships and Advanced Learner Loans.
- E2. You should read this document after you have read the [Skills Funding Agency: common funding and performance-management rules 2016 to 2017](#).
- E3. Where we refer to a learner's age, we refer to the age at the start of their learning aim or programme unless we specify otherwise.

## Provision and individuals we fund

The AEB combines all SFA participation and support funding that is not ESF, Advanced Learner Loans and apprenticeships. It aims to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or other learning. It enables more flexible tailored programmes of learning to be made available, which may not require a qualification. This will help those furthest from learning or the workplace. For learners with a legal entitlement, we think it right that government specify the qualification offer available.

We describe how we create the list of eligible qualifications which can be delivered as part of the Level 2, Level 3 and English and maths legal entitlements in [The Legal Entitlements](#) on GOV.UK.

We continue to expect providers to work with a range of local partners and stakeholders to ensure that the local learning offer meets local needs.

### Qualifications required for the legal entitlements:

Vocational and general qualifications	English and maths
<b>16 to 23 core offer*</b> – Tech Levels, Applied general, A-levels, ASlevels, Access to HE, Technical Certificates, GCSEs.	<b>English and maths core offer</b> – GCSEs in English and maths, Functional Skills in English and maths and IGCSEs in English and maths.
In addition - a limited number of other technical or professional qualifications from the Regulated Qualifications Framework (RQF).	In addition - a limited number of other 'stepping stone' English and maths qualifications from the RQF.

\*The SFA is only responsible for delivering this offer to learners aged 19 and over.

The level of government contribution we will fund is as follows.

Provision	19- to 23-year-olds	24+ Unemployed	24+ Other
English and Maths up to and including Level 2	Fully funded*	Fully funded*	Fully funded*
Level 2	Fully-funded* (first and full)	Fully Funded	Co-funded
Learning to progress to Level 2	Fully funded	Fully funded	Co-funded
Level 3	Fully funded* (first and full)	Loan-funded	Loan-funded
	Loan-funded** (previously achieved full Level 3 or above)		
Traineeship#	Fully funded (including 24 year-olds)	N/A	N/A
English for Speakers of Other Languages (ESOL) learning up to and including Level 2	Co-funded	Fully funded	Co-funded
	Fully funded - unemployed		
Learning aims up to and including Level 2, where the learner has already achieved at Level 2 or above	Co-funded	Fully funded	Co-funded
	Fully funded - unemployed		

\*Must be delivered as one of the qualifications required for the legal entitlement.

# Excludes flexible element where funding depends on age and level

\*\* Availability of loans at Level 3 does not replace a 19- to 23-year-old's legal entitlement to full funding for a first full Level 3.

## Definitions used in the Adult Education Budget

### Unemployed

- E4. For funding purposes a learner is defined as unemployed if one or more of the following apply.
- E4.1. They receive Jobseeker's Allowance (JSA), including those receiving National Insurance credits only.
  - E4.2. They receive Employment and Support Allowance (ESA) and are in the work-related activity group (WRAG).
  - E4.3. They receive Universal Credit, earn either less than 16 times the National Minimum Wage a week or £330 a month and are determined by Jobcentre Plus (JCP) as being in one of the following groups identified in E5 to E7.

- E4.4. They are released on temporary licence (RoTL) and studying outside a prison environment and not funded through the Offenders' Learning and Skills Service (OLASS).
- E5. All Work-Related Requirements Group.
- E6. Work Preparation Group.
- E7. Work-Focused Interview Group.
- E8. Providers may also use their discretion to fund other learners if all of the following apply.
  - E8.1. The learner receives other state benefits and earns either less than 16 times the National Minimum Wage a week or £330 a month.
  - E8.2. The learner wants to be employed (or progress into more sustainable employment, if they earn less than 16 times the National Minimum Wage a week or £330 a month) and you are satisfied that the learning is directly relevant to their employment prospects and the local labour market needs.
- E9. Certain qualifications that meet statutory employer requirements or a licence to practice are eligible for unemployed learners that meet paragraph E4.1, E4.2, E4.3 or E4.4. More information about these qualifications can be found in the [Qualifications Eligibility Principles](#).

## **Full Level 2**

- E10. Level 2 is the level of attainment which, is demonstrated by:
  - E10.1. a General Certificate of Secondary Education in five subjects, each at grade C or above, or grade 4 or above, or
  - E10.2. Technical Certificate at Level 2 which meets the requirements for 2018 16 to 19 performance tables, or
  - E10.3. other technical and professional qualifications which are part of the Regulated Qualifications Framework (RQF) and required as part of the legal entitlement for the Level 2 entitlement which must be at least 150 guided learning hours (glh)
- E11. If a learner aged 19- to 23-years-old 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. Please contact [qualifications@sfa.bis.gov.uk](mailto:qualifications@sfa.bis.gov.uk) if you need advice on a previous qualification's designation.

## **Full Level 3**

- E12. Level 3 is the level of attainment which is demonstrated by:
  - E12.1. a General Certificate of Education at the advanced level in two subjects, or

- E12.2. a General Certificate of Education at the advanced subsidiary (AS) level in four subjects, or
  - E12.3. a Quality Assurance Agency Access to Higher Education (HE) Diploma at Level 3, or
  - E12.4. a Tech level; or Applied general qualification at Level 3 which meets the requirements for 2018 16 to 19 performance tables, and a number of Tech levels and applied general qualifications from the 2017 16 to 19 performance tables, or
  - E12.5. other technical and professional qualifications which are part of the RQF and listed as part of the legal entitlement for the Level 3 entitlement which must be at least 300 glh
- E13. If a learner aged 19- to 23-years-old has achieved a Level 3 qualification, that was at the time they started or still is classed as a full Level 3, and wants to enrol on any subsequent Level 3 qualification, of any size, they will have to either apply for an Advanced Learner Loan or pay for their own learning. Please contact [qualifications@sfa.bis.gov.uk](mailto:qualifications@sfa.bis.gov.uk) if you need advice on a previous qualification's designation.

### **A-levels**

- E14. If a learner has not achieved two A-levels; four AS-levels; or one A-level and two AS-levels, they have not fully exercised their entitlement to a full Level 3 and can be fully funded to complete these qualifications.
- E15. When a learner starts an AS level qualification and intends to continue through to a full A-level in the same subject, the funding of both the AS and A-levels will be treated as if they were a single qualification. This must be set out in their learning agreement and the learning must be in consecutive funding years.

### **Eligible qualifications**

- E16. Where you deliver regulated qualifications you must ensure that the qualifications are eligible for AEB funding and available on the [Hub](#).
- E17. For information on the eligibility principles, please read our [Qualification Eligibility Principles for 2016 to 2017](#).
- E18. You can check which regulated qualifications and components are eligible to be funded on the [Hub](#).

### **Eligible other provision**

- E19. Where you deliver non-regulated activity you must ensure it is eligible. The eligibility principles we apply to non-regulated activity are as follows.
  - E19.1. It must not be provision linked to UK visa requirements.

- E19.2. It must not be provision linked to statutory employer requirements (including licence to practice) unless there is an agreed concession in place.
- E19.3. It must not be vendor-specific provision which is linked to a particular employer or commercial system.
- E19.4. It must not be activity that should be part of a learner's experience, such as 'induction to college'.
- E19.5. It must not be a non-regulated version of a regulated qualification.
- E19.6. It must not be above notional Level 2 (that is, at notional Levels 3 or 4)

## Quality

- E20. Where you are not delivering a regulated qualification you must ensure that you have appropriate and robust quality assurance processes in place. For instance 'Recognising and Recording Progress and Achievement' (RARPA) that would be acceptable to Office of Standards in Education (Ofsted)

## What we will not fund

- E21. We will not fund any learning aim delivered at an employee's workplace and relevant to either their job or their employer's business, unless:
  - E21.1. the learner has an entitlement to full funding under paragraphs E24 or E28 to E30, or
  - E21.2. we have agreed a concession that responds to a significant negative economic impact for a specific industry
- E22. We will not fund any work placement or work experience, unless it is delivered as part of a traineeship, the Prince's Trust programme or a continuing study programme (where responsibility for funding transfers from the Education Funding Agency to us when the learner is 19-years-old).
- E23. We will not fund, outside of apprenticeships, qualifications which have been designed for end-point assessment for an apprenticeship standard. Please refer to the [Hub](#) for information on this.

## English and maths for those aged 19 or older

- E24. We will fully fund individuals aged 19 or older, who have not previously attained a GCSE grades A\* to C in English and maths, as part of their legal entitlement on the day they start the following qualifications:
  - E24.1. GCSE and IGCSE English language or maths
  - E24.2. Functional Skills English or maths from Entry to Level 2
  - E24.3. stepping-stone qualifications (including components, where applicable) in English or maths approved by the Department for Education or SFA. These can be found on [GOV.UK](#). If a learner wants to 'retake' their GCSE English and maths because they did



not achieve a grade 4 or above (C or above), we will not fund the learner to only resit the exam.

- E25. You must not enrol individuals on qualifications which are not necessary for progressing towards a GCSE or Functional Skill Level 2.
- E26. You must:
  - E26.1. carry out a thorough initial assessment to determine their current level using current assessment tools based on the National Literacy and Numeracy Standards and core curricula
  - E26.2. 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
  - E26.3. enrol on a level above that at which they were assessed and be able to provide evidence of this
  - E26.4. deliver ongoing assessment to support learning
  - E26.5. record the evidence of all assessment outcomes in the learner file
- E27. The assessments must place a learner's current skills levels within the level descriptors used for the RQF.

### **Individuals aged 19 to 23 (excluding English, maths and ESOL)**

- E28. We will fully fund 19- to 23-year-olds on the day they start the following learning.
  - E28.1. Provision to support progression to a first full Level 2
  - E28.2. Provision, up to and including Level 2 for those who already have a full Level 2 if they are unemployed
  - E28.3. Qualifications defined within the legal entitlement that are a:
    - E29. first full Level 2
    - E30. first full Level 3
- E31. If the learner has already achieved a Level 2 or above we will co-fund provision up to, and including, a Level 2

### **Individuals aged 24 or older (excluding English, maths and ESOL)**

- E32. For individuals aged 24 or older on the day they start, we will:
  - E32.1. fully fund provision up to, and including, a notional Level 2, if they are unemployed
  - E32.2. co-fund provision up to, and including, a Level 2 for all other learners aged 24 years and older

## **Traineeships**

- E33. We will fully fund individuals aged 16 to 24 who have not previously attained a first full Level 3 qualification, for the core elements of their traineeship programme where:
- E33.1. they are unemployed and in receipt of unemployment benefits as outlined in E4, or
  - E33.2. they are unemployed at the start of the traineeship or are employed and earn either less than 16 times the hourly National Minimum Wage each week or £330 a month, and
  - E33.3. they have little or no work experience and are focused on employment, an apprenticeship or the prospect of this, and
  - E33.4. they have been assessed as having the potential to be ready for employment or an apprenticeship within six months
- E34. You can find additional requirements for traineeship programmes in paragraphs E43 to E47 of this document.

## **English for Speakers of Other Languages (ESOL)**

- E35. We will fully fund individuals aged 19 and over on the day they start their ESOL learning aim where they are unemployed.
- E36. We will co-fund all other individuals aged 19 and over on the day they start their ESOL learning aim.
- E37. All qualifications you offer must be on the RQF.

## **Learners with learning difficulties or disabilities**

- E38. We will fund learners with learning difficulties or disabilities as set out in the Apprenticeships, Skills, Children and Learning Act 2009.
- E39. We will fully fund non-regulated English and maths provision eligible for funding for learners aged 19 years and over with significant learning difficulties or disabilities as part of a personalised learning programme, where assessment has identified the learner cannot undertake provision identified in paragraph E24.
- E40. If a learner has an Education, Health and Care plan (EHC plan), you must report this in the 'Learner funding and monitoring' fields in the ILR.
- E41. We will not fund learners whose EHC plan is extended by the local authority beyond their 25th birthday. The local authority must continue to provide top-up funding and contract directly with the institution.
- E42. The SFA has the responsibility for securing the provision of reasonable facilities for education and training suitable to the requirements of persons who are 19 and over. This includes learners with a learning difficulty or

disability who have previously had an EHC plan and have reached the age of 25. We will fund the provision and support costs where the following apply.

- E42.1. You inform us before the start of the 2016 to 2017 funding year if a learner has reached the age of 25 and has not completed their learning programme as set out in their EHC plan by the end of the previous funding year.
- E42.2. The learner is placed with a training organisation and they have an EHC plan which confirmed that the learner's needs could only be met by that training organisation.
- E42.3. The programme of learning as set out in the EHC plan is being followed and the learner continues to make progress on the programme.

## **Traineeships**

The traineeship programme provides unemployed young people with skills and experience to progress to an apprenticeship or sustainable work.

Traineeships for 16- to 18-year-olds are based on the Education Funding Agency (EFA)'s funding method and you should refer to them for more information.

Traineeships for 19- to 24-year-olds use our funding system and funding rules.

## **Provider eligibility and contracting**

- E43. We will fully fund traineeships for 19- to 24-year-olds and for 16- to 18-year-olds where you do not have a funding agreement with the EFA, but you deliver 16 to 18 apprenticeships through us. You cannot use your 16 to 18 apprenticeship allocation to deliver traineeships.

## **Learner eligibility**

### **Traineeships for 16- to 18-year-olds**

- E44. To be funded, the individual in the funding year they start must meet the following criteria.
  - E44.1. Aged 16, 17 or 18 on 31 August.
  - E44.2. Aged 16 or older, but under 25, and have an Education, Health and Care Plan (EHC plan).
  - E44.3. All 16- to 18-year-old learners must be eligible under the EFA's residency requirements.
- E45. A learner cannot start a traineeship until 1 August after they have left school in the academic year in which they have their 16th birthday.

## **Traineeships for 19- to 24-year-olds**

- E46. The young person must be aged 19 years or older on 31 August in the funding year in question, and under 25 at the start of the traineeship.

### **Traineeship duration**

- E47. The work-placement, work-preparation and flexible elements must all be completed in a period between six weeks and six months.

### **Traineeship learning**

- E48. A traineeship includes the following.
- E48.1. Work placement.
  - E48.2. Work-preparation training.
  - E48.3. English, maths or ESOL where necessary (please see paragraph E60).
  - E48.4. Providers can also offer a flexible element as set out in paragraphs E67 to E70.

### **Advertising traineeship opportunities**

- E49. You must advertise new traineeship opportunities on [Find a traineeship](#) except where an individual has already been matched to an employer. We expect you to identify the lead employer for work experience placements within four weeks of the traineeship starting.

### **Traineeships: work placement**

- E50. The work placement must take place with an employer in a workplace and allow the learner to develop new workplace knowledge, skills and behaviours. This must not be simulated activity in an artificial environment.
- E51. You must report the employer's details through the ILR within four weeks of the start date.
- E52. For a 19- to 24-year-old learner the work placement must be for a minimum of 100 planned hours. For a 16- to 18-year-old learner the work placement must be the most substantial element of the programme and you must report the work placement in the ILR as the core aim in a learner's study programme.
- E53. If it is appropriate for a learner to have a number of separate work placements in different organisations, these must last at least two weeks with each employer, and last at least 100 hours in total.
- E54. For learners on Jobseeker's Allowance or Universal Credit, work placements can be up to 240 hours (or extended if an offer of an apprenticeship place is accepted). All elements of the programme (including the work placement)

are subject to a maximum of 35 hours activity each week to meet the requirements of state benefit rules.

- E55. The employer must offer at the end of each placement, (which you must evidence), either:
- E55.1. a formal interview for a job or apprenticeship vacancy, plus feedback or
  - E55.2. an exit interview, written feedback and evidence of the learner's time and activities during the placement

### **Work preparation**

- E56. If the work-preparation training leads to a qualification, the qualification must be offered by an Ofqual-regulated awarding organisation.
- E57. For 16- to 18-year-olds, it must also be approved on the Hub for 16 to 18 funding in the 2016 to 2017 funding year.
- E58. For 19- to 24-year-olds all work preparation activity, including non-regulated aims, must be a learning aim categorised as 'Work Preparation-SFA Traineeships' on the [Hub](#). These aims will not attract additional funding as they are included in the single traineeship rate for work placement and work preparation.
- E59. Work-preparation training must focus on activities that will help progression to an apprenticeship or, sustainable employment. You must connect it to the employability needs of the learner and it may include writing CVs, preparing for interviews, searching for jobs and interpersonal and communication skills.

### **Traineeships: English and maths**

- E60. All learners must be assessed for a level of English and maths. Any learner without a minimum GCSE grade C or 4 or Level 2 Functional Skill in English or maths, must be supported to progress to this level.

### **Traineeships for 16- to 18-year-olds**

- E61. For 16- to 18-year-olds, you must follow the conditions of funding for 16 to 19 study programmes.
- E62. You must enrol the learner in English and maths as outlined in the EFA's English and maths Condition of Funding document.
- E63. If the learner has already achieved a Functional Skills qualification at Level 2 they must work towards achieving a GCSE grade 4 or higher.
- E64. You must encourage learners to consider higher-level provision if they have already achieved a grade C in English or maths, particularly Level 3 maths qualifications.

### **Traineeships for 19- to 24 year-olds**

- E65. English and maths requirements are the same throughout the adult education budget (please see paragraphs E24 to E27).
- E66. We will continue to fund a learner, who does not complete the English and maths elements during their traineeship, until the learner has completed these learning aims.

### **Traineeships: flexible element**

- E67. In addition to the core offer you can also provide other learning provision, described as the 'flexible element'.

### **Traineeships for 16- to 18-year-olds**

- E68. You can offer other activities, including appropriate technical and professional qualifications approved on the section 96 list, and approved on the Hub for 16 to 18 funding.

### **Traineeships for 19- to 24-year-olds**

- E69. The flexible element is funded as standard provision within the adult education budget and subject to the general learner eligibility, funding rules and Advanced Learner Loans funding and performance-management rules.
- E70. In line with standard rules, you can offer activities, including appropriate technical and professional qualifications that are eligible for funding and will help the learner move into work or remove a barrier to them entering work. This excludes work preparation aims and any ESOL learning aims covered in paragraphs E56.

### **Traineeship funding**

#### **Traineeships for 16- to 18-year-olds**

- E71. You must report all planned hours for a learner in the ILR. We will fund learners based on the planned hours entered on the appropriate EFA funding rate.
- E72. Where a young person successfully progresses to an apprenticeship, full-time study or a job that meets the Raising of the Participation Age requirements, this will be reflected in the EFA's funding method.

#### **Traineeships for 19- to 24-year-old**

- E73. Traineeship funding for 19- to 24-year-olds follows the rules for adult education budget (paragraphs E4 to E28).
- E74. You must record all achievements on the ILR whether or not funding is claimed for that achievement.

- E75. To claim traineeship funding you must plan, and we expect you to deliver, both the work experience and work preparation components.

### **Traineeships: outcomes**

- E76. The following are outcomes if they are achieved and evidenced within six months of completing the traineeship.
- E76.1. An apprenticeship start that meets the minimum qualifying days evidenced by ILR records or a self-declaration by the learner.
  - E76.2. A job, including being self-employed, that is for at least 16 hours a week and for eight consecutive weeks within six months of leaving a traineeship, evidenced by a declaration from the learner or their employer.
  - E76.3. Further learning that meets the minimum qualifying days and is evidenced by ILR records or a self-declaration by the learner and meets the following criteria.
- E77. For 16- to 18-year-olds, the study of a qualification that is at least 150 guided learning hours (glh) at Levels 2 or 3 (or both) and recognised in the 16 to 19 performance tables.
- E78. For 19- to 24-year-olds, the study of a qualification that is at least 150 glh at Levels 2 or 3 (or both) and recognised in the 16 to 19 performance tables or eligible for funding as part of the legal entitlement.
- E79. Progression to a new English and maths qualification which is a level higher than that achieved in the traineeship.
- E80. The achievement payment for the single combined work placement and work preparation rate is based on reporting a successful outcome, on the ILR in the programme aim. You must not claim the job outcome payments described in paragraph E82 for this combined rate.

### **Support for traineeships**

For 16- to 18-year-olds, disadvantage funding, high-needs student funding, vulnerable student bursaries and discretionary bursaries are available through the EFA and detailed in the most recent funding guidance and [Bursary Fund guide](#) as issued by the EFA.

- E81. For 19- to 24-year-olds, traineeships learner and learning support is available, see paragraphs E88 to E93. If you did not have a Discretionary Learner Support allocation in 2015 to 2016, you must follow the Learner Support rules set out below and claim learner support using the Earnings Adjustment Statement (EAS).

## Job outcome payments

- E82. For fully-funded learners who are unemployed (including traineeships), we will pay 50% of the achievement payment if they get 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.
- E82.1. The learner must provide you with evidence through a declaration, that they have a job for at least 16 hours or more a week for four consecutive weeks.
- E82.2. Where the learner was claiming benefits relating to unemployment they must also declare that they have stopped this claim.

## Fees and charging

- E83. You must not make compulsory charges relating to the direct costs of delivering a learning aim to learners we fully fund, including those with a statutory entitlement to be fully funded for their learning. Direct costs include any essential activities or materials without which the learner could not complete and achieve their learning.
- E84. If a fully-funded learner needs a Disclosure and Barring Service check to participate in learning, you cannot charge them for this. If the learning is associated with the learner's employment, their employer is responsible for carrying out and paying for this check.

## Support funding

- E85. Learner and learning support funding will enable providers' flexibility to meet the needs of learners and cover the cost of reasonable adjustments as part of the Equality Act 2010.
- E86. **Learning Support** to meet the learning needs of learners who have an identified learning difficulty or disability to achieve their learning goal.
- E87. **Learner Support** is available to providers who received a Discretionary Learner Support allocation in 2015 to 2016 to provide financial support for learners with a specific financial hardship preventing them from taking part in learning, including:
- E87.1. Hardship funding – general financial support for vulnerable and disadvantaged learners
- E87.2. 20+ Childcare funding – for learners aged 20 or older on the first day of learning who are at risk of not starting or continuing learning because of childcare
- E87.3. Residential Access funding – to support learners where they need to live away from home



## Learning support

- E88. Learning Support must not be used to deal with everyday difficulties that are not directly associated with a learner's learning on their programme.
- E89. Learners who were funded by the EFA and become our responsibility for continuing learning aims continue to receive Learning Support at the same level.
- E90. You must:
- E90.1. carry out a thorough assessment to identify the support the learner needs
  - E90.2. agree and record the outcome of your assessment in the learner file
  - E90.3. record all outcomes on the learner file and keep all evidence of the assessment of the needs, planned and actual delivery
  - E90.4. report in the ILR that a learner has a learning support need associated with an identified learning aim, by entering code LSF1 in the 'Learning Delivery Funding and Monitoring' field and entering the corresponding dates in the 'Date applies from' and 'Date applies to' fields
- E91. Learning support will be earned at a fixed monthly rate if it has been reported in the ILR. EAS must be used if your costs are not covered by this rate and you must keep evidence of these costs.
- E92. You may claim Learning Support if learning continues past the planned end date and the learner still needs support.

## Exceptional Learning Support claims above £19,000

Learners who need significant levels of support to start or continue learning can get access to Exceptional Learning Support if their support costs more than £19,000. Learners aged 19 to 24 requiring significant levels of support would normally be expected to have an Education, Health and Care Plan (EHC plan) provided by their local authority and therefore would access funding from their local authority.

- E93. If a learner has support costs of more than £19,000 in any one funding year, you can access Exceptional Learning Support. You can find details of how to claim in the [claims document](#).

## Learner Support

- E94. Before you award support to a learner, you must identify their needs within the following 'categories'.
- E94.1. Hardship for those aged 19 or older.
  - E94.2. Childcare for those aged 20 or older.
  - E94.3. Residential for those aged 19 or older.
  - E94.4. Administration.

- E95. In 2016 to 2017 we will retain the existing Learner Support funding arrangements for those providers who received Discretionary Learner Support (DLS) in 2015 to 2016.
- E96. You cannot transfer funding between your AEB and your Loans Bursary Fund.
- E97. You must record, report and retain evidence on spending for each of the categories.
- E98. Administrative costs will be capped at 5% of the value of your 2015 to 2016 DLS allocation.
- E99. You must:
  - E99.1. have criteria for how you will administer and distribute your funds: these must reflect the principles of equality and diversity and be available to learners and to us on request
  - E99.2. assess and record the learner's needs, demonstrating the need for support
  - E99.3. report the appropriate Learner Support Reason codes in the 'Learner Funding and Monitoring' fields in the ILR
  - E99.4. complete a [mid-year funding forecast and a final claim](#)
  - E99.5. take into account the availability of other support for learners, for example from JCP or a Work Programme
  - E99.6. make it clear to learners that it is their responsibility to tell the Department for Work and Pensions about any learner support that they are receiving from you, as learner support payments may affect their eligibility to some benefits
- E100. You must not use learner support funds for any of the following.
  - E100.1. Essential equipment or facilities if the learner is fully funded by us. However, fully-funded learners can get support funding for childcare, transport and residential costs.
  - E100.2. A learner released on temporary licence.
  - E100.3. A learner carrying out a higher education course or learning aims fully funded from other sources.
  - E100.4. To pay weekly attendance allowances or achievement and attendance bonuses.

## **Hardship**

- E101. Hardship funds can be used for the following.
  - E101.1. Course-related costs, including course trips, books and equipment (where costs are not included in the funding rate), domestic emergencies and emergency accommodation.

- E101.2. Transport costs (but not to make a block contribution to post-16 transport partnerships or routinely fund transport costs that are covered in the local authority's legal duty for learners of sixth-form age).
  - E101.3. Examination fees.
  - E101.4. Accreditation fees, professional membership fees and any fees or charges due to external bodies.
  - E101.5. Your registration fees.
  - E101.6. Support provided by others, or by providing items, services or cash direct to the learner. This can be a grant or a repayable loan.
  - E101.7. To support learners on a traineeship including the work placement element.
- E102. In exceptional circumstances you can use hardship funds to help with fees for disadvantaged learners.
- E103. If an asylum seeker is eligible for provision you may provide learner support in the form of course-related books, equipment or a travel pass. You must not give a learner who is an asylum seeker support in the form of cash.

## **20+ Childcare**

- E104. You can only use childcare funding to pay for childcare with a childminder, provider or childminder agency who is registered with Ofsted.
- E105. You must not use childcare funding:
- E105.1. to fund informal childcare, such as that provided by a relative
  - E105.2. to set up childcare places or to make a financial contribution to the costs of a crèche
  - E105.3. to fund childcare for learners aged under 20 on the first day of learning; instead you must direct them to the EFA 'Care to Learn' programme
- E106. Childcare for those 20 years or older must not be used to top up childcare payments for those receiving 'care to learn'.

## **Residential Access Funding**

- E107. You must:
- E107.1. set out the criteria and procedures for considering and agreeing applications for support from your Residential Access funds
  - E107.2. give priority to learners who need accommodation and only pay for travel costs in exceptional circumstances

## **Payments and performance-management**

- E108. You must read this section alongside the performance-management principles set out in [Skills Funding Agency common funding and performance-management rules](#).
- E109. The AEB is made of Adult Skills (including 19 to 24 traineeships), former Community Learning and Discretionary Learner Support. Apprenticeships are a separate funding allocation; you cannot use your AEB to fund apprenticeships and you cannot move funds between your adult apprenticeship and AEB funding allocations.
- E110. If your AEB allocation includes former Community Learning, your funding agreement sets how you can use it.

## **AEB for providers funded through a grant**

- E111. Your AEB is allocated to you as a block grant for 2016 to 2017. We will make payments on the standard national profile shown in Table 2 of Annex A.
- E112. You must provide three funding claims setting out your actual delivery to date and, where appropriate, provide a forecast for the remainder of the funding year. The funding claims must include Adult Skills, former Community Learning and Discretionary Learner Support funding. The funding claims you must provide are set out below.
- E112.1. The mid-year funding claim in February 2017.
- E112.2. The year-end funding claim in September 2017.
- E112.3. The final funding claim in October 2017.
- E113. You must make your funding claims in line with the Funding Claims 2016 to 2017 Guide which we will publish in autumn 2016. Within the guide we will set out our timelines for you to request any in-year reductions to your funding allocation. We will review the actual spend in your final funding claim against the ILR and EAS data you provide.
- E114. We will not make an automatic payment for delivery over your AEB block grant.
- E115. For any under-delivery we will apply a 3% tolerance. That is, where your delivery of the overall AEB is at least 97% of your funding allocation, we will not make a year-end adjustment to your funding allocation and you will not have to pay back any unspent funds. Where your delivery is less than 97%, you must pay back any unspent funds up to the full value of your AEB funding allocation. We will confirm the value of funding you must pay back in your reconciliation statement.

## **AEB for providers funded through a contract**

- E116. Your AEB allocation remains as three separate budgets, Adult Skills (including 19 to 24 traineeships), former Community Learning and Discretionary Learner Support, as in previous years.
- E117. We will not reduce your AEB contract value during the year unless there are exceptional circumstances.

### **Adult Skills**

- E118. We will pay the Adult Skills component on the basis of your actual delivery each month, up to your contract value for the financial year. We will calculate the value of your actual delivery using the latest validated ILR and EAS data you provide.
- E119. We will not pay for delivery over your Adult Skills contract value.

### **Former Community Learning**

- E120. We will pay you the former Community Learning component on the standard national profile shown in Table 3 of Annex A.
- E121. You must provide a final funding claim setting out your actual spend against your funding allocation for the 2016 to 2017 funding year in October 2017. You must make your funding claim in line with the [Funding Claims 2016 to 2017 Guide](#) which we will publish in autumn 2016. We will review the actual spend in your final funding claim against the ILR and EAS data you provide.
- E122. We will not apply an automatic year-end tolerance or automatic payment for delivery over your funding allocation to your final funding claim. For any under-delivery, we will make a year-end adjustment to your funding allocation and you must pay back any unspent funds. We will confirm the value of funding you must pay back in your reconciliation statement.

### **Discretionary Learner Support**

- E123. We will pay you DLS funding in three stages (that is, you will receive 'profile payments'):
  - E123.1. 50% in August
  - E123.2. 25% in January
  - E123.3. 25% in April.
- E124. You must provide two funding claims setting out your actual delivery to date and, where appropriate, provide a forecast for the remainder of the funding year. The funding claims you must provide are set out below.
  - E124.1. The mid-year funding claim in February 2017.
  - E124.2. The final funding claim in October 2017.

- E125. You must make your funding claims in line with the Funding Claims 2016 to 2017 Guide which we will publish in autumn 2016. We will review the actual spend in your final funding claim against the ILR and EAS data you provide.
- E126. We will not apply an automatic year-end tolerance or automatic payment for delivery over your funding allocation to your final funding claim. For any under-delivery, we will make a year-end adjustment to your funding allocation and you must pay back any unspent funds. We will confirm the value of funding you must pay back in your reconciliation statement.

## **16 to 18 traineeships for all providers**

- E127. Your 2016 to 2017 funding agreement will state the maximum value of 16 to 18 traineeships, including any discretionary bursary funding, you can deliver from your overall 16 to 18 apprenticeship contract value. You cannot vire funds between 16 to 18 traineeships and 16 to 18 apprenticeships without our agreement.
- E128. We will pay you on the basis of your actual delivery each month up to your contract value for the financial year. We will calculate the value of your actual delivery using the latest validated ILR and Earnings Adjustment Statement (EAS) data you provide.
- E129. We will measure the performance of your 16 to 18 traineeship contract value against a standard national profile (see Table 1 of Annex A) at the performance management points. The performance-management point timetable is set out in Table 1 of Annex B. (Please refer to Diagram 1 of Annex B in the [Skills Funding Agency: common funding and performance-management rules](#) for the performance-management timeline.)
- E130. We will reduce your contract value if your performance against the standard national profile at the performance-management point is outside the tolerance. The tolerance levels we will apply at the performance-management points are set out in Table 1 of Annex B.
- E131. The reduction in your contract value will reflect some or all of the value of the under-delivery to date. We will not change this approach unless there are exceptional circumstances.
- E132. We will apply the reduction unless:
- E132.1. Your actual delivery pattern in 2015 to 2016 is significantly different to the standard national profile.
  - E132.2. You demonstrate you were impacted by data issues outside of your control.
  - E132.3. It is less than £25,000.
- E133. If your performance against the standard national profile is outside our tolerance level, we will not agree an increase to your contract value unless we have also agreed that one or more of the criteria in paragraph E131 apply.

E134. We will not make an automatic payment for delivery over your contract value.

## **Requesting an increased 16 to 18 traineeship or AEB funding allocation**

### **Traineeships and AEB**

E135. At the performance-management points (set out in Table 1 of Annex B), we will consider requests to:

E135.1. move funding between 16 to 18 apprenticeship funding and 16 to 18 traineeship funding (at performance-management point 1 only)

E135.2. increase funding for 16 to 18 and 19 to 24 traineeships

E136. You must send a growth and virement request form to [providerperformancemanagement@sfa.bis.gov.uk](mailto:providerperformancemanagement@sfa.bis.gov.uk) at the performance-management points. You must send your growth and virement request form by the deadlines shown in Table 1 of Annex B. We will not accept any forms that are sent after the deadline or to a different email address.

### **Our criteria for awarding growth funding**

E137. The [growth and virement request form](#) will set out further information about how we assess your request. We will increase your 16 to 18 traineeship and AEB funding allocation for 19 to 24 traineeships if funds are available and if:

E137.1. You are listed on the [Register of Training Organisations](#) and have successfully passed the capacity and capability questions.

E137.2. You have a good track record.

E137.3. You can prove there is demand from employers or learners.

E137.4. You are not under notice for Failure of Inspection, Financial Health or Financial Control.

E137.5. You are not under notice for Minimum Standards for education and training.

E137.6. We are confident that awarding an increase to your funding allocation is a good use of public funds.

E138. You must not request growth for a subcontractor if:

E138.1. It would take the total value of subcontracts that the subcontractor holds to deliver education and training funded by us to £100,000 or more, and

E138.2. The subcontractor is not on the [Register of Training Organisations](#).

E139. If you request growth for subcontracted delivery, you must provide evidence that you have published your supply-chain fees and charges policy on your website. (This requirement is set out in the [Skills Funding Agency common funding and performance-management rules](#)).

## Annex A – Standard national profiles

The following tables refer to P1 to P12. These represent the funding year periods where P1 is August and P12 is July.

Table 1. 16 to 18 traineeship standard national profile

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
16 to 18 traineeships monthly profile	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%	8.35%	8.40%	8.40%	8.40%	8.35%
16 to 18 traineeships cumulative profile	8.30%	16.60%	24.90%	33.20%	41.50%	49.80%	58.10%	66.45%	74.85%	83.25%	91.65%	100.00%

Table 2. Adult Education Budget standard national profile for providers funded through a grant

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
AEB monthly profile	14.44%	8.58%	8.67%	7.08%	5.69%	7.44%	5.39%	5.36%	12.69%	10.21%	8.70%	5.75%
AEB cumulative profile	14.44%	23.02%	31.69%	38.77%	44.46%	51.90%	57.29%	62.65%	75.34%	85.55%	94.25%	100.00%

Table 3. Former Community Learning standard national profile for providers funded through a contract

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Former Community Learning monthly profile	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.36%	8.33%	8.33%	8.33%	8.34%
Former Community Learning cumulative profile	8.33%	16.66%	24.99%	33.32%	41.65%	49.98%	58.31%	66.67%	75.00%	83.33%	91.66%	100.00%



## Annex B – Performance-management points

Table 1. Apprenticeships and traineeships performance-management points, tolerances and minimum thresholds

	Performance-management point 1	Performance-management point 2
Growth funding that can be requested	For periods 1 to 12 <ul style="list-style-type: none"> <li>• 16 to 18 traineeships</li> <li>• 19 to 24 traineeships</li> </ul> For periods 1 to 8 <ul style="list-style-type: none"> <li>• 16 to 18 apprenticeships</li> <li>• Adult apprenticeships</li> </ul>	For periods 9 to 12 <ul style="list-style-type: none"> <li>• 16 to 18 traineeships</li> <li>• 19 to 24 traineeships</li> </ul>
Growth form published	4 November 2016	17 March 2017
Tolerance for under-delivery	6%	3%
Lower threshold for contract value adjustments	£25,000	£25,000
Growth requests to be received by	18 November 2016	3 April 2017
Delivery information using the latest validated ILR data you provide	6 December 2016	6 April 2017
Cases for increasing or reducing contract values reviewed by	14 December 2016	21 April 2017
Decision to approve or reject increases and reductions	Week commencing 2 January 2017	Week commencing 1 May 2017
Providers told the outcome of our performance-management process from	Week commencing 9 January 2017	Week commencing 8 May 2017
Performance-management values published on our website	3 March 2017	30 June 2017



© Crown copyright 2016

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This document is also available from our website [gov.uk/sfa](http://gov.uk/sfa).

If you have any enquiries regarding this publication or require an alternative format, please contact us [info@sfa.bis.gov.uk](mailto:info@sfa.bis.gov.uk)