



Education & Skills
Funding Agency

The European Social Fund funding rates and formula April 2019 to August 2019

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Introduction and purpose of the document

1 You can use this document to find information about how we will calculate your funding from the European Social Fund (ESF) budget. This applies for contracts starting from April 2019.

2 This document will be reviewed before August 2020

3 This document will be of interest to further education and skills training providers.

4 For information about contracts starting before April 2019, you should refer to the previous [ESF Funding Rates and Formula 2016 to 2017](#).

5 You should read this document alongside these other documents for a full understanding of how the funding system works:

- [ESF specifications deliverables evidence requirements & funding rules](#)
- [Individual learner record \(ILR\) specification, validation rules and appendices](#)
- [ESF supplementary data guidance, validation rules and example file](#)

Understanding our terminology

6 The term 'we' refers to the Education and Skills Funding Agency. 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.

Changes from the previous round of ESF contracts

7 Our principles of how we calculate your funding and set funding rates have not changed from the previous round of ESF contracts. We will fund all learning aims at the same rate as the previous contract round (Round 1). If we did not fund the learning aim in the previous contract round (Round 1), we will use the single activity matrix to set rates for all eligible learning activity, including eligible qualifications.

8 We have removed funding for non-regulated learning aims with a learning duration of under 7 hours.

9 You must use a new supplementary data file template to submit some of your contract deliverables. We have removed or changed some fields to clearer about what data you need to enter in each field.

- We have added two new fields:
 - the “LearnAimRef” field - the code from the Learning Aim Reference Service (LARS) for the learning aim being delivered
 - the “SupplementaryDataPanelDate” field - the date of the ESF panel that approved any modifications to your ILR data that you have requested in your supplementary data file
- There are fewer deliverable codes that you can submit in your supplementary data file to reflect the deliverables available across the new contracts.

10 You will receive a new set of funding reports for your new contracts that show your deliverables from April 2019 onwards, and you will receive your former reports alongside these until the end of the 2018 to 2019 funding year. We will base these on your previous funding reports; the only structural difference will be in the Funding Summary Report, where we will show fewer rows to reflect the reduction in deliverables in the new contracts.

Calculating your funding: the basics

- 11 There are 4 broad steps to earning funding from your ESF delivery:
- i. You give us information about your learners and their learning through the Individualised Learner Record (ILR) and the ESF supplementary data file.
 - ii. We use our funding system to calculate the funding you have earned for delivering this learning.
 - iii. We fund you on your actual delivery each month, in arrears.
 - iv. We will then give you funding reports to display your earnings.
- 12 We will then pay you up to your maximum contract value and the maximum amount for each deliverable in the contract.
- 13 If your contract spans more than one funding year, we will combine the earnings from each year. We will pay you up to the maximum amount for each deliverable in the contract.

Funding based on contract deliverables

14 Your contract will contain some, or all, of the contract deliverables below. On the next few pages, we explain how we work out the funding you can earn by deliverable.

15 You can find more information about these contract deliverables, and the evidence you need to support the deliverables you claim, in the [ESF Funding Rules](#).

“Learner assessment and plan” deliverable

16 The “learner assessment and plan” deliverable represents a learning agreement that you must develop as a single point of reference relating to all the learning that a learner is participating in.

17 To claim this deliverable, you must identify learner needs and plan the activities needed to achieve the desired progression for the learner.

18 To qualify for funding, the learning assessment must take place on or after the start date of your contract.

19 To record the assessment on your ILR, you must record the learning aim reference ‘ZESF0001’, which represents the learning assessment.

20 In your supplementary data file, the DeliverableCode should be ‘ST01’, which represents an adjustment to the learning assessment that has been authorised by us at a supplementary data panel.

21 We use the ‘Learning Start Date’ of the first completed “learner assessment and plan” learning aim for a learner in your ILR to assess their eligibility for other learning aims. For more information, refer to the [validation rules](#).

Your earnings for this deliverable

22 We base the amount you earn for this activity upon the amount recorded in your contract. You will earn funding when the assessment is complete and the learning aim’s completion status is ‘Completed’ in your ILR.

23 You can only earn funding for one assessment for each learner on each contract.

Regulated learning and non-regulated activity contract deliverables

24 You can find the full list of regulated and non-regulated aims we cover using the [‘Learning Aims’ search](#). These can change over time.

How to identify an ESF non-regulated learning aim

25 You can find a list of non-regulated aims in 2 ways:

- You can use [the learning aims search](#) by selecting applicable category codes (A, B, I or L) from the ‘Category’ search in the ‘Additional Filters’ section.
- You can download the LARS database from the hub to identify learning aims from the following attributes:
 - in the ‘Core_LARS_Validity’ table, these aims will have a ValidityCategory of ‘ESF’ and
 - in the ‘Core_LARS_LearningDelivery’ table, these aims can have any LearningDeliveryGenre codes except: ‘EOQ’, ‘EQQ’, ‘EOU’ and ‘IHE’.

ESF non-regulated aims with a mixed sector subject area

26 You can record these on the ILR as a single learning aim with category codes A, B, I or L from LARS, as described in [the learning aim class codes guidance](#).

27 We fund these at the base programme weighting (A).

Your earnings for these deliverables

28 To work out what you are likely to earn for delivering learning to a learner, follow these 3 steps:

Learning aims earnings - Step 1: find out your funding rate

29 We show the funding rates for all learning aims on [LARS](#).

How we determine the funding rate

30 Your funding rate for a learning aim is determined by two factors:

- The funding band – based upon the length of the period of learning by a measure as listed in paragraph 32 below.
- The programme weighting – based upon the sector subject area of the learning aim.

Funding Bands

31 Certain qualification types have their funding band set as a matter of policy. These are listed in Annex 4: exceptions to the single activity matrix.

32 For all other learning, we have set the funding bands to recognise the costs associated with the length of time in learning. To work out the funding band we use:

- regulated guided learning hours (GLH) where the qualification is part of the Regulated Qualifications Framework (RQF).
- planned activity in hours – for non-qualification-bearing learning

33 Using LARS to find either the GLH or planned hours for the learning aim, you can find the funding band of the learning aim using the single activity matrix in Annex 3.

34 The funding band that applies when a learner starts that learning aim will not change between funding years if the learner is continuing a learning aim into the next funding year.

35 We may increase the rates for extra costs you may experience when delivering learning; we call this programme weighting (see the next section).

Programme weightings by Sector Subject Area

36 We use the sector subject area (SSA) to work out programme weightings; which may be an increase in the rate depending on the SSA. We call this a weighted rate. Mostly, awarding organisations decide the sector subject area. You can find these on [LARS](#).

37 In a few cases, we will set the SSA if there are multiple sector subject areas for components of qualifications.

38 There are some exceptions to how we set the programme weightings as listed in Annex 2: exceptions to programme weighting by SSA.

39 Agriculture courses that need specialist resources are slightly different; these will get an extra uplift. Lantra decides these courses each year.

40 To see if your qualification has an increased rate through programme weighting, or if your learner's qualification is an exception (where we set the SSA), see Annexes 1 & 2 at the end of this document.

41 We link programme weightings to the sector subject area using the tier 2 sector subject area where possible (e.g. 1.1 – Medicine and Dentistry). We will only use a tier 1 sector subject area (e.g. 1 – Health, public services and care) where an aim does not have a tier 2 sector subject area assigned.

Combining your Funding Band and Programme Weighting

42 You can then use the single activity matrix that follows in annex 3 to find out your funding rate, where the programme weighting meets the funding band for your qualification.

English and maths GCSE

43 If you deliver these qualifications to adults aged 19 and over, you will earn the higher rate of £811. The full list of fundable English and maths qualifications is [available on LARS](#).

English for speakers of other languages (ESOL)

44 If you provide these qualifications, you may incur costs above the funding rate. To claim for these, record the extra hours on the ILR under 'additional delivery hours', as detailed in [the ILR specification](#) and the [ILR provider support manual](#).

45 You must follow this formula to work out the additional hours:

Additional hours = total planned learning hours – maximum guided learning hours

- **Total planned learning hours:** The total length planned to deliver the ESOL qualification in hours.
- **Maximum guided learning hours:** The highest value in hours within the funding band for the qualification identified as described in paragraph 32.

46 We will work out your funding by matching the value of the additional hours to the single activity matrix. We add the matrix value to the original learning aim rate to give you an increased rate overall.

47 Here is an example for ESOL funding top-up.

- First, you must assess how long the total planned delivery will take in hours. For this example, we will assume 60 hours – this is the total planned learning hours.
- Next, you must identify the funding band of the qualification from the single activity matrix. All ESOL aims have programme weighting A, so you should use this column to establish the funding band. For example, LARS shows we fund the qualification at £150, this equates to ‘21 to 44’ hours – 44 hours is the maximum value in this band, so this is the maximum guided learning hours.
- Then, you must calculate the additional hours using the formula above. This is the 60 planned hours minus the 44 maximum GLH value of the ESOL qualification, resulting in 16 additional hours.
- The 16 additional hours equates to the ‘13 to 20’ hours funding band in the single activity matrix. The ‘13 to 20’ hours funding band generates £100 for the top up (all ESOL aims have programme weighting A).
- The overall rate you receive is then the original rate (£150) plus the top up amount (£100) which is £250.

Learning aims earnings - Step 2: see if you are eligible for an area cost uplift

48 The area cost uplift helps you deliver learning in areas where costs are higher.

49 If you are eligible, the uplift factor will be between 1.01 and 1.20, as shown in the table in annex 5.

50 We apply the area cost uplift consistently across ESF; and we use the same methodology for the Adult Education Budget and Advanced learner Loans.

51 The uplift we apply to your delivery at the start of each aim will last for the duration of the aim – even if you move the aim into a new funding year.

Learning aims earnings - Step 3: apply your funding rate to the funding formula

52 Once you know your funding rate and area cost uplift, you can apply it to the funding formula. The standard formula we use to work out your funding is:

Funding rate x area cost uplift = aim value (the total funding you can earn for this aim)

When you earn funding

53 There is no qualifying period for learning aims in the ESF programme.

54 You earn 25% of the funding when the learner starts their aim. We can see this in the information you submit in your ILR under ‘learning start date’. You can only earn this payment once, even if a learner leaves and then restarts learning.

55 You earn the remaining 75% when the learner achieves their aim. We see this on the ILR under ‘learning actual end date’.

Progression contract deliverables

56 There are 5 progression deliverables, shown in the table below. You earn funding when a learner progresses from training to paid employment, education or an apprenticeship.

Supplementary data deliverable code	ILR outcome type	Outcome description
PG01	EMP	Progression paid employment
PG03	EDU	Progression education
PG04	EDU	Progression apprenticeship
PG05	EDU	Progression traineeship
SD01	-	Progression within work

Table 1: Progression contract deliverables

57 To earn funding, the learner must progress within 28 days of the last day of learning on a regulated or non-regulated aim. You must tell us the date the learner progresses in the 'outcome start date' of the ILR's learner progression and destination record.

58 You cannot record SD01 progressions on the ILR. These must be recorded in your supplementary data file instead of the ILR.

59 For community grants contracts, a learner may progress without the learner having started a regulated or non-regulated learning aim. If this is the case, we will automatically calculate a progression payment for you submit a claim for the progression.

How you earn your funding

60 We base the funding you will earn on the unit cost, found in your contract, and the type of progression recorded in your ILR learner destination and progression.

61 You can earn funding for one progression per learner only. Should two progressions meet the criteria, you will earn funding for the progression with the latest start date.

62 You will earn progression funding in the month of the 'outcome start date' of the relevant progression record.

Community Grants contract deliverables

63 You can fund a range of projects through community grants deliverables. For a full list of these projects, you should refer to your contract.

64 You must record the name of the grant recipient organisation and the value of the grant in your supplementary data file.

How you earn your funding

65 Community grant funding is made up of 2 elements:

- the value of the grant paid to a business (the 'CG01' deliverable)
- the cost to administer the grant (the 'CG02' deliverable)

“Local Economic Partnership (LEP) agreed development plan” deliverables

66 If you have a ‘supply of skills support to the workforce’ contract, you shall produce a development plan to meet the needs of the LEP following the effective date and prior to the service commencement date of the contract.

67 When a LEP has agreed this development plan, you can submit an SD02 deliverable in your supplementary data file to claim the unit cost of a development plan as stated in your contract.

68 For more information about the deliverables in the contract, and how you can claim them, you should refer to [the funding rules](#) and [the supplementary data guidance](#).

Annex 1: programme weightings by sector subject area

Programme weightings are linked to the sector subject areas (SSA). We only use a tier 1 sector subject area where an aim does not have a tier 2 sector subject area assigned.

Tier 1 sector subject area	Tier 2 sector subject area description	Most likely programme weighting
1	Health, public services and care	
1.1	Medicine and dentistry	B – Low
1.2	Nursing and subjects and vocations allied to medicine	B – Low
1.3	Health and social care	B – Low
1.4	Public services	A – Base
1.5	Child development and well being	B – Low
2	Science and mathematics	
2.1	Science	B – Low
2.2	Mathematics and statistics	A – Base
3	Agriculture, horticulture and animal care	
3.1	Agriculture	E – Specialist
3.2	Horticulture and forestry	E – Specialist
3.3	Animal care and veterinary science	E – Specialist
3.4	Environmental conservation	B – Low
4	Engineering and manufacturing technologies	
4.1	Engineering	C – Medium
4.2	Manufacturing technologies	C – Medium
4.3	Transportation operations and maintenance	C – Medium
5	Construction, planning and the built environment	
5.1	Architecture	C – Medium
5.2	Building and construction	C – Medium
5.3	Urban, rural and regional planning	C – Medium
6	Information and communication technology	
6.1	ICT practitioners	B – Low (up to Level 1) C – Medium (Level 2 +)

Tier 1 sector subject area	Tier 2 sector subject area description	Most likely programme weighting
6.2	ICT for users	A – Base (up to Level 1) B – Low (Level 2 +)
7	Retail and commercial enterprise	
7.1	Retailing and wholesaling	A – Base
7.2	Warehousing and distribution	A – Base
7.3	Service enterprises	B – Low
7.4	Hospitality and catering	C – Medium
8	Leisure, travel and tourism	
8.1	Sport, leisure and recreation	B – Low
8.2	Travel and tourism	A – Base
9	Arts, media and publishing	
9.1	Performing arts	B – Low
9.2	Crafts, creative arts and design	C – Medium
9.3	Media and communication	B – Low
9.4	Publishing and information services	A – Base
10	History, philosophy and theology	
10.1	History	A – Base
10.2	Archaeology and archaeological sciences	B – Low
10.3	Philosophy	A – Base
10.4	Theology and religious studies	A – Base
11	Social Sciences	
11.1	Geography	B – Low
11.2	Sociology and social policy	A – Base
11.3	Politics	A – Base
11.4	Economics	A – Base
11.5	Anthropology	A – Base
12	Languages, literature and culture	
12.1	Languages, literature and culture of the British Isles	A – Base

Tier 1 sector subject area	Tier 2 sector subject area description	Most likely programme weighting
12.2	Other languages, literature and culture	A – Base
12.3	Linguistics	A – Base
13	Education and training	
13.1	Teaching and lecturing	B – Low
13.2	Direct learning support	B – Low
14	Preparation for life and work	
14.1	Foundations for learning and life	A – Base
14.2	Preparation for work	A – Base
15	Business, administration and law	
15.1	Accounting and finance	A – Base
15.2	Administration	A – Base
15.3	Business management	A – Base
15.4	Marketing and sales	A – Base
15.5	Law and legal services	A – Base

Table 2: SSAs and their programme weighting

Annex 2: Exceptions to programme weighting by SSA

- Waste management and recycling in SSA 1.4 is weighted at ‘B – Low’.
- Agriculture needing specialist resources in SSA 3.1, 3.2 or 3.3 is weighted at ‘G – Specialist’, with an extra uplift for certain specialist providers (paragraph 39).
- Hair and beauty in SSA 7.3 is weighted at ‘C – Medium’.
- Music technology in SSA 9.1 is weighted at ‘D – High’.
- Music practitioners in SSA 9.1 is weighted at ‘E – Specialist’.
- Entry level functional skills in maths is weighted at ‘C – Medium’.
- Functional skills in ICT is weighted at ‘B – Low’.

Annex 3: the single activity matrix

The single activity matrix for the funding year 2018 to 2019 is set out below:

Funding band hours	Activity type	Programme weighting				
		A – Base (unweighted)	B – Low	C – Medium	D – High	E or G* (specialist)
Up to 2	Very small provision (1)	£14	£16	£18	£22	£24
3 to 4	Very small provision (2)	£21	£24	£27	£34	£36
5 to 6	Very small provision (3)	£35	£39	£46	£56	£60
7 to 12	Small provision (1)	£50	£56	£65	£80	£86
13 to 20	Small provision (2)	£100	£112	£130	£160	£172
21 to 44	Small provision (3)	£150	£168	£195	£240	£258
45 to 68	Medium provision (1)	£300	£336	£390	£480	£516
69 to 92	Medium provision (2)	£450	£504	£585	£720	£774
93 to 100	Medium provision (3)	£600	£672	£780	£960	£1,032
101 to 196	Large provision (1)	£724	£811	£941	£1,159	£1,246
197 to 292	Large provision (2)	£1,265	£1,417	£1,645	£2,025	£2,176
293 to 388	Large provision (3)	£1,987	£2,225	£2,583	£3,179	£3,417
389 to 580	Very large provision (1)	£2,573	£2,882	£3,345	£4,117	£4,425
581 to 1060	Very large provision (2)	£4,170	£4,670	£5,421	£6,671	£7,172
1061+	Very large provision (3)	£6,602	£7,395	£8,583	£10,564	£11,356

*Some specialist provision receives an uplift if it is delivered by certain providers (paragraph 39).

Table 3: The single activity matrix

Annex 4: exceptions to the single activity matrix

Certain qualifications have their funding band set as a matter of policy:

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

Table 4: Exceptions to the single activity matrix

Annex 5: area cost uplifts by region

London A 1.20		London B 1.12
Camden		Barking and Dagenham
City of London		Bexley
Greenwich		Havering
Islington		Redbridge
Kensington and Chelsea		Barnet
Lambeth		Enfield
Southwark		Waltham Forest
Westminster		Bromley
Wandsworth		Croydon
Hackney		Kingston upon Thames
Tower Hamlets		Merton
Lewisham		Richmond upon Thames
Newham		Sutton
Haringey		Brent
Hammersmith and Fulham		Ealing
		Harrow
		Hounslow
		Hillingdon
Bedfordshire and Hertfordshire Non-fringe 1.03		
Central Bedfordshire	North Hertfordshire	Stevenage
Bedford	Luton	
Berkshire, Surrey and West Sussex Fringe 1.12		
Bracknell Forest	Runnymede	Reigate and Banstead
Crawley	Slough	Tandridge
Elmbridge	Spelthorne	Waverley
Epsom and Ewell	Surrey Heath	Windsor and Maidenhead
Guildford	Woking	Mole Valley

Berkshire Non-fringe 1.12		
Reading	Wokingham	West Berkshire
Buckinghamshire Non-fringe 1.07		
Aylesbury Vale	Milton Keynes	Wycombe
Hampshire and Isle of Wight 1.02		
Basingstoke and Deane	Hart	Rushmoor
East Hampshire	Havant	Southampton
Eastleigh	Isle of Wight	Test Valley
Fareham	New Forest	Winchester
Gosport	Portsmouth	
Cambridgeshire – 1.02		
Cambridge	Huntingdonshire	South Cambridgeshire
East Cambridgeshire	Peterborough	Fenland
Hertfordshire and Buckinghamshire Fringe 1.10		
Broxbourne	South Buckinghamshire	Watford
Chiltern	St Albans	Welwyn Hatfield
Dacorum	Three Rivers	East Hertfordshire
Hertsmere		
Kent and Essex Fringe 1.06		
Basildon	Harlow	Thurrock
Brentwood	Sevenoaks	Dartford
Epping Forest		
Oxfordshire 1.07		
Cherwell	Vale of White Horse	West Oxfordshire
Oxford	South Oxfordshire	
West Sussex Non-fringe 1.01		
Adur	Arun	Worthing
Chichester	Horsham	Mid-Sussex

Table 5: Area cost uplift factors by region



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