



Education & Skills  
Funding Agency

# **19+ allocations technical guidance for 2022 to 2023**

**July 2022**

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## Summary

1. This document sets out the methodologies and technical details for the following allocations for the 2022 to 2023 funding year:
  - 1.1. ESFA funded adult education budget (AEB)
  - 1.2. 19 to 24 traineeships
  - 1.3. Advanced learner loan facilities and bursaries
  - 1.4. 16 to 18 traineeships (for providers that do not have 16 to 19 funding)
  - 1.5. Apprenticeships non-levy (procured)
  - 1.6. Apprenticeships carry-in (non-procured)
2. You should read this document together with the [relevant funding and performance management rules](#) for the 2022 to 2023 funding year (when published).
3. We recognise that previous funding years have been difficult for all and have aimed to minimise the impact in our 2022 to 2023 allocations methodologies.

## How this document can help you

4. We have divided this document into sections about general information on allocation statements and business cases. The final section has the funding methodologies specific to the funding agreements and separate allocation lines you hold with ESFA.
5. A glossary at the end to explains technical terms.

## Understanding the terminology

6. The terms 'we' and 'ESFA' refer to the 'Education and Skills Funding Agency' and associated staff.
7. 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.
8. We will use the generic term 'you' or 'provider' unless the section only applies to a specific provider type.
9. We use the term 'grant' to include provider funded through a:
  - financial memorandum
  - conditions of funding (grant)
10. We use the term 'contract for services' to include provider funded through a:
  - contract for services
  - conditions of funding (grant) – employer

11. When we refer to 'ESFA funded AEB' this is funding you can claim from us for delivery of AEB provision, and/or the traineeship programme to learners outside of devolved areas.
12. The 2022 to 2023 funding year runs from 1 August 2022 to 31 July 2023.
13. We use the term 'allocation line' as the separate values or 'of which' within your funding agreement that we will use to manage your contract value.

## Allocation statement

14. All allocations covered in this document are calculated as a cash value. Institutions must manage and earn this funding following the relevant funding formula and rules and will be managed in line with published performance management arrangements, when published.
15. 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.
16. We reserve the right to remove or reduce your allocation if we find incorrect data or audit errors as part of our funding assurance and monitoring work.

## How to access your statement

17. Your allocation statement is available to view on [Manage your Education and Skills Funding](#).
18. Manage your Education and Skills Funding is an online service that gives you access to information about contracting and payments. We use this service to share your contract documents, allocation statements, remittance reports (payments), subcontracting declarations and reconciliation statements.
19. You need one of the following roles to view your allocation statement:
  - contract authoriser
  - contract manager
  - contract user
  - data returns and claims authoriser
20. You can request a new role through the [Identity and Access Management Service](#) (IDAMs) or by asking your organisation's super user.
21. Your allocation statement will show how much we have allocated to you for the 2022 to 2023 funding year and how this spans financial years (August 2022 to March 2023 and April 2023 to July 2023).

22. You can understand how we have calculated your allocation by using our [calculators](#). You will need to enter information when prompted and it will show the steps in our calculations. Calculators were published 16 April 2022. Should you have further requirements in addition to the calculators provided, please contact us using [our online enquiry form](#).

23. 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](#).

## **Why a statement is not issued**

24. You will not see a funding line on your allocation statement where we have calculated a £0 allocation for your ESFA funded AEB, 16 to 18 traineeships or advanced learner loans funding. We will write to you separately if you currently have a contract for the relevant funding stream and this applies to you. Please review the business process for more information.

25. You will not receive an allocation statement if:

- 25.1. you are about to merge with another organisation or take on learners from a failing provider for example
- 25.2. you are subject to an investigation, or we are reviewing your allocation due to a complication or known data error
- 25.3. you have received notice that we are terminating your contract

## **How we apply infrastructure changes and quality standards to statements**

26. If you merged or were part of a disaggregation before we issued allocation statements, and we have received confirmation from your organisation, we have reflected this in your allocation(s). We have calculated allocations separately for each of the providers involved in a merger and then aggregated them for the continuing provider. For disaggregations, we have split the allocation using the agreed proportions.

27. If we have not received confirmation of a merger or disaggregation, then you will not receive a merged or disaggregated allocation. If your situation has changed since, please contact us using our [online form](#).

28. We use historic delivery and performance to calculate your allocation to make sure provision is of a high quality. We will use your track record to assess your ability to deliver education and training to the required standard and may reduce your allocation if one or more of the following is true:

- 28.1. your Ofsted grade is inadequate
- 28.2. you are in formal intervention for minimum standards or inspection

- 28.3. you have been issued with a notice for financial control
- 28.4. you have been issued with a notice to improve, additional conditions of funding or additional contractual obligations in relation to minimum quality standards for 19+ education and training
- 28.5. you have significantly underdelivered against your contract value in previous years
- 28.6. you are subject to an investigation for breach of contract and/or failed audit

## Business case process

- 29. You can raise a business case if:
  - 29.1. you had a significant data error that has affected for your allocation
  - 29.2. you had a contract value for the 2021 to 2022 funding year but did not receive a 2022 to 2023 allocation because you have not used it for the following allocation lines:
    - 29.3. you are a grant funded provider and have an ESFA funded adult education budget agreement
    - 29.4. you are a grant funded provider and have a 19 to 24 traineeships contract value
    - 29.5. you have 19 to 24 traineeships (2020 procurement)
    - 29.6. you have an advanced learner loans facility
    - 29.7. you have a 16 to 18 traineeships allocation
- 30. The maximum you can request in 29.2 is £25,000 or your current contract value, whichever is lower.
- 31. We will apply the allocation methodology as set out in this document when reviewing business cases using a nationally consistent formulaic calculation.
- 32. The deadline to submit a business case was 6 May 2022. We have published an adult allocations business case template, we will only accept cases where the template has been fully completed and submitted by the deadline.
- 33. We will not accept requests for growth or cases that are not related to errors or not delivering your allocation.
- 34. For information about how to raise a business case, please see the business case section of our 19+ funding allocations page on [GOV.UK](https://www.gov.uk).

## Contact us

- 35. If you have any queries, please visit [Get help with Education and Skills Funding Agency services](#). You can also talk to your territory lead or use the web form to submit an enquiry.

## Allocation methodologies

The allocation methodologies are split by the funding agreement(s) and allocation lines you have with the ESFA. It is essential that you read the rules that apply to you. You may have more than one agreement and will need to read the parts that relate to that funding agreement, funding stream and allocation line.

- Education and Skills Funding agreement (grant), including Level 3 free courses for jobs and 19 to 24 traineeships
- ESFA funded AEB contract for services (procured from August 2021)
- 19 to 24 traineeships contract for services (2020 procurement)
- 16 to 18 traineeships without a 16 to 19 study programme
- 16 to 18 traineeships without a 16 to 19 study programme (awarded through market entry)
- Advanced learner loans
- Apprenticeships non-levy (procured)
- Apprenticeships carry-in (non-procured)

36. The allocations that we issue are to set the value at which a provider will be managed and paid for the funding year. Your allocation is the maximum amount you can earn in the 2022 to 2023 funding year and not necessarily the amount you will be paid.

37. We allocate funding on a lagged basis whereby funding in one year informs the allocation in the next. This means that the allocation for an academic year is based on the last/historic full academic year delivery (£). For example, 2022 to 2023 allocations are largely based on 2020 to 2021 R14 ILR data submissions. Some allocation may differ, and more information is provided in each allocation methodology.

38. When processing allocations we use the following standards:

- 38.1. calculate allocations on an annual basis using nationally consistent methodologies, taking into account the current policy position and affordability
- 38.2. reflect historic (lagged) full year delivery and current allocations to ensure future allocations are in line with what providers can realistically earn
- 38.3. ensure all providers are treated fairly and equitably
- 38.4. protect public funds and meet principles of public law
- 38.5. enable providers to respond to government priorities

## Education and Skills Funding agreement (grant)

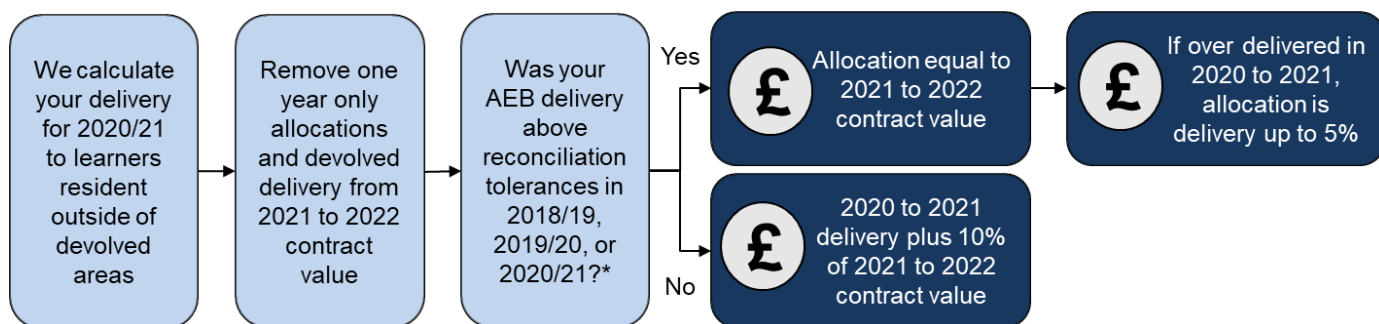
39. The Education and Skills Funding agreement (grant) section of this document applies to grant funded with a financial memorandum/funding agreement with ESFA.

40. This section refers to your ESFA funded AEB allocation. If you have a query about the AEB funding allocated by a Mayoral Combined Authority (MCA) or the Greater London Authority (GLA), please contact them directly.
41. Devolution of the AEB came into effect from 1 August 2019. The MCAs/GLA are now responsible for commissioning and funding AEB provision for learners resident in their areas.
42. ESFA will fund learners resident outside devolved areas and will continue to support continuing learners resident in devolved areas. Please read section on continuing learners for funding arrangements.
43. One year only allocations have been removed from the 2022 to 2023 funding year, but you can continue to fund learners who started these courses before 1 August 2021, using your 2022 to 2023 ESFA funded AEB allocation. Sector based work academies can continue to be funded using ESFA funded AEB.
44. 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 is broken down' or by downloading the PDF version of the statement. Where applicable your allocation is formed from separate methodologies. See sections within this document for details of each methodology:
- 44.1. adult skills: this includes learning support and learner support
  - 44.2. community learning: non-formula funded community learning value
  - 44.3. 19 to 24 traineeships: includes 19 to 24 traineeship learner support
  - 44.4. National Skills Fund: level 3 free courses for jobs

## **ESFA funded adult education budget (grant)**

45. We have calculated your ESFA funded adult education budget allocations for the 2022 to 2023 funding year for providers that:
- 45.1. are grant funded,
  - 45.2. have a 2021 to 2022 ESFA funded AEB contract value (excluding continuing learners), and
  - 45.3. delivered ESFA funded AEB between August 2021 and January 2022
46. We have used the following methodology to calculate ESFA funded AEB allocations:





47. We calculate your 2020 to 2021 delivery to learners resident outside of devolved areas.

48. Where applicable, the value we use for your 2021 to 2022 ESFA funded AEB contract value (as of March 2021) removes funding for West Yorkshire and South Yorkshire continuing learners. This was distributed to you in 2021 to 2022 for one year only. This value also excludes 19 to 24 traineeships and the National Skills Fund: level 3 adult offer.

49. For each of the previous 3 years, we have compared your ESFA funded AEB final funding claim delivery to your ESFA funded AEB allocation for the following years as a percentage. We compare your percentage to the published funding claims reconciliation threshold for that year, as follows:

Funding year	Reconciliation threshold
2018 to 2019	97%
2019 to 2020	68%
2020 to 2021	90%

50. If you delivered below the reconciliation threshold in each of the last 3 years, we take your 2020 to 2021 delivery (see paragraph 47). We then add a buffer to reflect the 90% reconciliation threshold in that year by adding 10% of your 2021 to 2022 contract value (see paragraph 48).

51. If you have delivered within the reconciliation threshold at least once in the last 3 years, your allocation is equal to your 2021 to 2022 contract value (see paragraph 48).

52. If you delivered above 100% in 2020 to 2021, we have awarded you an increase up to the value of your 2021 to 2022 delivery (see paragraph 47) or 5% of your 2021 to 2022 contract value (see paragraph 48), whichever is lower.

53. Delivery used within your allocation calculation includes monitoring and audit adjustments and 2021 to 2022 business cases to accurately reflect final delivery. The business cases have been apportioned across areas that have since devolved (South Yorkshire and West Yorkshire).

54. For providers that met the criteria to be funded nationally for a 2-year period, we remove any delivery to residents for all devolved funding.

55. The calculation on which learners were resident outside devolved areas is 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 ILR, earnings adjustment statement (EAS) and funding claims.

56. We calculate adult skills, learner support and non-formula funded community learning values separately. These are explained later in this document.

57. We have applied a minimum allocation of £10,000. If the allocation we have calculated for you is less than £10,000, you will not receive an allocation and we will notify you separately.

58. If you had an AEB allocation in the 2021 to 2022 funding year but have not been issued with an allocation for 2022 to 2023, you can request an allocation of up to £10,000 through our business case process. Please see the business case process section of this document for more information.

59. If you have a track record issue (see paragraph 28), then your 2022 to 2023 allocation will be no greater than your 2021 to 2022 ESFA funded AEB contract value.

### **Non-formula funded community learning**

60. Where applicable, delivery excludes non-formula funded over-delivery. Our performance management rules set out that we will not fund non-formula funded community learning over-delivery, nor offset non-formula funded community learning over-delivery against adult skills under-delivery.

61. Grant providers with non-formula funded community learning allocations have the flexibility to spend non-formula funded community learning funding on adult skills. Where providers have used that flexibility, we are maintaining your non-formula funded community learning at its current level.

### **National Skills Fund level 3 free courses for jobs adult offer for 19 to 23-year-olds**

62. As part of the Lifetime Skills Guarantee, a targeted level 3 adult offer has been developed to support adults without an existing full level 3 qualification.

63. Only level 3 qualifications on the [Qualifications in the National Skills Fund](#) – level 3 free courses for jobs will attract an uplift. There may be additions to the list, to ensure it meets the needs of the economy – we encourage providers to check availability regularly.

64. You can continue to deliver training for the specified level 3 courses from within your ESFA AEB allocation for learners aged 19 to 23 years old.

## **AEB continuing learners in areas that devolved before 1 August 2022**

65. We will continue to be responsible for AEB learners that are resident in a devolved/delegated area and in learning before the authority's devolution date but did not complete by 31 July 2022 (continuing learners). You must ensure you meet the cost of continuing learners from within your ESFA funded AEB allocation, as you have always done.

66. Information on which areas devolved and when is available on [GOV.UK](https://www.gov.uk).

67. The arrangements for additional funding related to continuing learners were for one year only, and funding has not been consolidated into your ESFA funded AEB allocation for 2022 to 2023.

68. Learners that started since the date of devolution are the relevant devolved authority's responsibility.

## **19 to 24 traineeships (grant)**

69. 19 to 24 traineeships continue to be managed as a national programme for the 2022 to 2023 funding year. They are not 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 National Skills Fund: level 3 free courses for jobs and ESFA funded AEB.

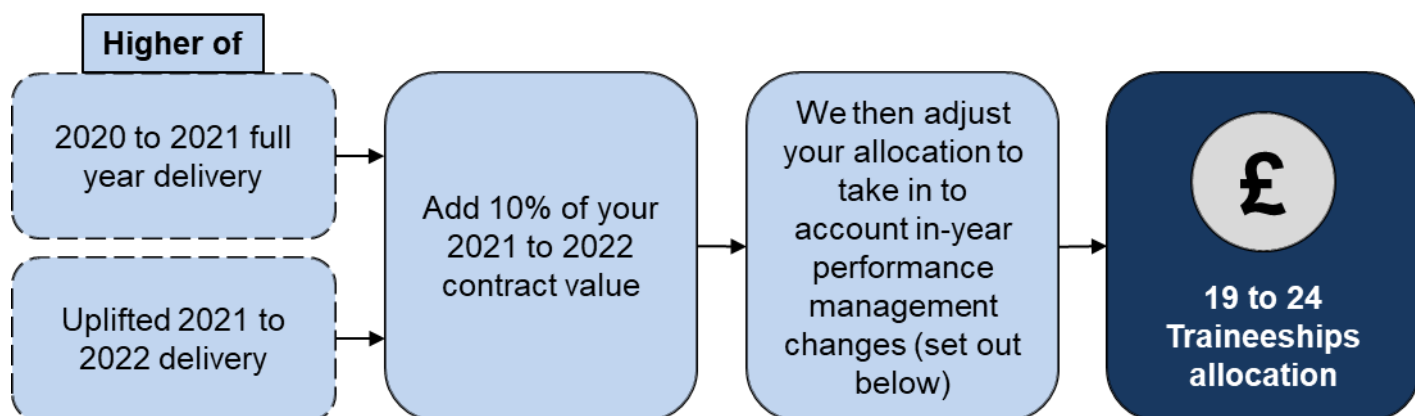
70. This section applies to grant funded providers only. If you have a 19 to 24 traineeship allocation through 2020 procurement, please review allocation methodology set out in 19 to 24 traineeships contract for services (2020 procurement).

71. We have calculated 19 to 24 traineeship allocations for the 2022 to 2023 funding year for providers that:

71.1. are grant funded and

71.2. delivered 19 to 24 traineeships between August 2020 and January 2022

72. We have used the following methodology to calculate 19 to 24 traineeships allocations:



73. To calculate your 19 to 24 traineeships allocation baseline (starting point), we use the higher of your 19 to 24 traineeship delivery as reported:
- 73.1. in 2020 to 2021 funding year using your final funding claim or
  - 73.2. in your 2021 to 2022 February 2022 individualised learner records submission (R06) uplifted to a full year value.
74. We then add 10% of your 2021 to 2022 allocation to your baseline. This is to provide a protection for under-delivery.
75. To uplift your February 2022 delivery to a full year, we first identify your historic delivery proportion between January and July by dividing your 2020 to 2021 19 to 24 traineeships delivery between August 2020 and January 2021 (as of your R06 data return) by your total 2020 to 2021 delivery between August 2020 and July 2021 (as a %). This is then multiplied by February 2022 delivery. This is limited to no more than standard national profile 51.90%.
76. To align with the 2021 to 2022 funding year performance management rules and reconciliation arrangements:
- 76.1. if your 2021 to 2022 19 to 24 traineeships allocation was reduced or did not change at the review points (August 2021 and December 2021), your allocation is the baseline, calculated above, or 2021 to 2022 contract value (as of February 2022), whichever is lower
  - 76.2. if your 2021 to 2022 19 to 24 traineeships allocation increased at the review points (August 2021 and December 2021), we have consolidated the growth into your calculation. Your 2022 to 2023 19 to 24 traineeships allocation is the greater of your baseline or 2021 to 2022 contract value (as of February 2022)
  - 76.3. your allocation is limited to 110% of your 2021 to 2022 contract value
77. We have applied a minimum allocation of £10,000. We have uplifted your 2022 to 2023 allocation to £10,000 if the allocation we calculated for you is lower than this (unless you have a track record issue).
78. If you had a 19 to 24 traineeships allocation in the 2021 to 2022 funding year but have not been issued with an allocation for 2022 to 2023, you have until 6 May 2022 to request an allocation of up to £25,000 or your current contract value, whichever is lower through our business case process. Please see the business case process section of this document for more information.
79. If you have a track record issue (see paragraph 28), then your 2022 to 2023 allocation will be no greater than your current allocation as of March 2022.
80. Your 19 to 24 traineeships learner support delivery is included as part of your 19 to 24 traineeships allocation.

## National Skills Fund: level 3 free courses for jobs (grant)

The national skill fund level 3 for 24-year-olds and over has been renamed level 3 free courses for jobs.

81. Level 3 free courses for jobs 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 allocation lines.

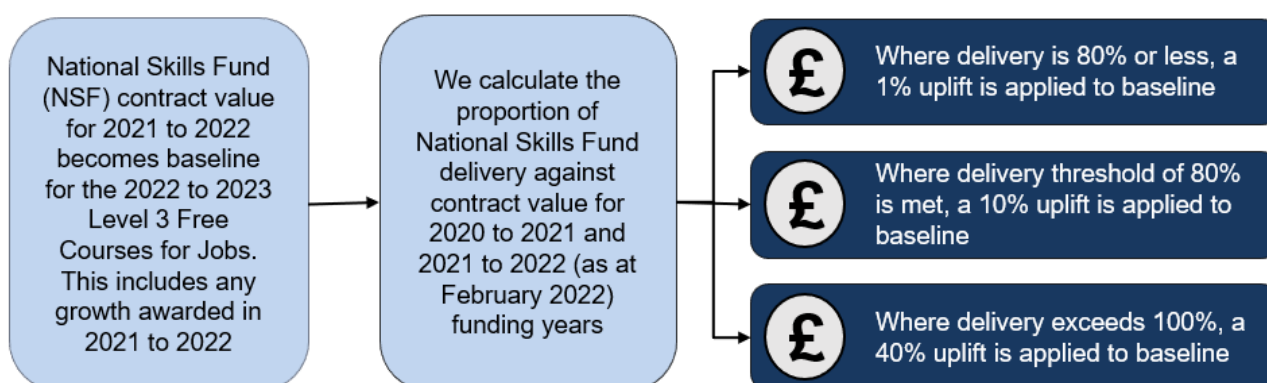
82. This section applies to grant funded providers only. If you have a ESFA funded AEB contract for service, please review the allocation methodology set out in separate section.

83. As part of the Lifetime Skills Guarantee, a targeted level 3 adult offer has been developed to support eligible adults. First introduced from 1 April 2021 of the 2020 to 2021 funding year.

84. Only qualifications on the [Qualifications in the National Skills Fund – level 3 free courses for jobs](#) will attract an uplift. There may be additions to the list, to ensure it meets the needs of the economy – we encourage providers to check availability regularly.

85. We have calculated level 3 free courses for jobs allocations for the 2022 to 2023 funding year for providers that have funding within the National Skills Fund: level 3 adult offer in 2021 to 2022, including those who successfully submitted a request for first-time delivery.

86. We have used full year 2020 to 2021 R14 data and 2021 to 2022 delivery data to date (R06) to calculate your allocation for level 3 using the following methodology:



87. To calculate the baseline (the starting point of our calculation), we take the value of the National Skills Fund (NSF 24+) allocation that you received in 2021 to 2022. This includes any growth awarded as part of performance management.

88. Where applicable, we remove funding for West Yorkshire and South Yorkshire continuing learners.

89. We then look at your National Skills Fund delivery from your funding claim 2020 to 2021 and your delivery between August 2021 to February 2022 of the 2021 to 2022 funding year to date from the ILR as of February 2022 (R06). We calculate the percentage you delivered against contract profile for the relevant years.

90. The government recently announced that from April 2022, any adult in England who is unemployed or earning under the National Living Wage annually will also be able to access these qualifications through the free courses for jobs offer, regardless of their prior qualification level.

91. To allow for this increased eligibility, if you have not met an 80% delivery threshold in 2020 to 2021 or 2021 to 2022 to date (R06), you will receive an increase to your 2021 to 2022 contract value of 1%.

92. If you have delivered more than 80% in either 2020 to 2021 or 2021 to 2022 to date (R06), but not exceeded 100% delivery, you will receive an increase to your 2021 to 2022 contract value of 10%.

93. If you delivered more than 100% in either 2020 to 2021 or 2021 to 2022 to date (R06), you will receive an increase to your 2021 to 2022 contract value of 40%.

94. Funding will be available in year, at set points only, for growth. We will offer additional free courses for jobs funding to providers meeting the criteria set out in funding and performance management rules, when published.

95. We have applied a minimum allocation of £10,000. If your calculated allocation is not equal to £0 but less than £10,000, we have uplifted your allocation to £10,000.

96. If you have a track record issue (see paragraph 28), then your 2022 to 2023 allocation will be no greater than your current allocation as of March 2022.

97. All delivery used within your allocation calculation includes monitoring and audit adjustments and exception cases to accurately reflect final delivery.

## ESFA funded AEB contract for services (procured from August 2021)

We can confirm ESFA funded AEB procured contract for services will be extended for one year for the 2022 to 2023 funding year. You must ensure that any learners started can complete in line with the revised expiry date of the contract (when updated). Please review Clause 2 under the commencement and duration of your contract for services for more information. Future arrangements for continuing learners are not confirmed (“Longstop Date”) and will be communicated in due course.

98. The ESFA funded AEB contract for services (procured from August 2021) section of this document applies to you if you applied to and received an ESFA funded AEB contract for services award as part of the AEB procurement.

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

100. Your contract for services will be extended for one year only. Your contract expiry date will be 31 July 2023 and will not be extended again.

101. 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 is broken down’ or by downloading the PDF version of the statement. Where applicable, your allocation is formed from separate methodologies. See sections within this document for details of each methodology:

101.1. adult skills: this includes learning support

101.2. adult skills learner support

101.3. National Skills Fund: level 3 free courses for jobs

101.4. National Skills Fund: level 3 free courses for jobs learner support

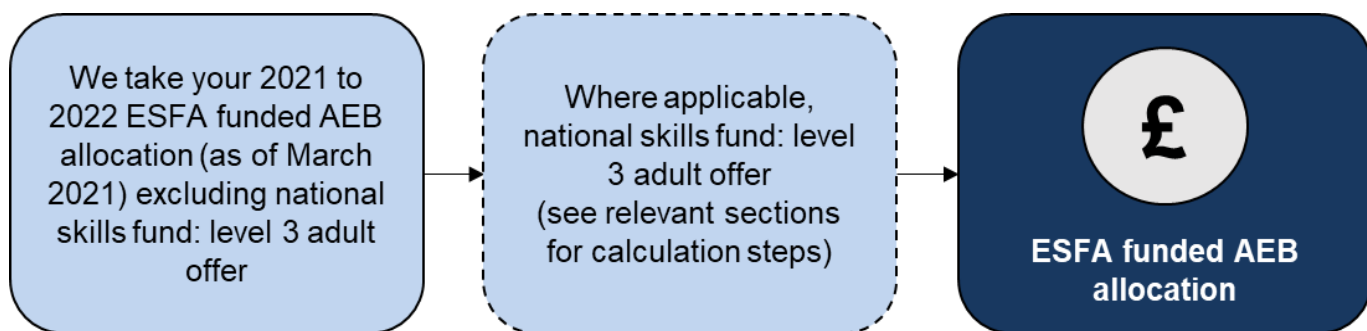
## ESFA funded adult education budget (contract for services)

102. We have calculated ESFA funded AEB allocations for the 2022 to 2023 funding year for providers that:

102.1. were successful in the AEB procurement from August 2021 and

102.2. have a 2021 to 2022 ESFA funded AEB contract value

103. We have used the following methodology to set ESFA funded AEB allocations:



104. We take your current 2021 to 2022 ESFA funded AEB allocation (as of March 2021) excluding National Skills Fund: level 3 free courses for jobs as your allocation for 2022 to 2023.

105. This includes any reductions received through in-year performance management reviews.

106. Your 2022 to 2023 allocation will be subject to in year performance management reductions if you do not utilise your contract value.

107. You can continue to deliver training for the specified level 3 free courses for jobs from within your ESFA AEB allocation for learners aged 19-to-23 years old.

### National Skills Fund: level 3 free courses for jobs

The national skill fund level 3 for 24-year-olds and over has been renamed level 3 free courses for jobs.

108. Level 3 free courses for jobs 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 allocation lines.

109. As part of the Lifetime Skills Guarantee, a targeted level 3 adult offer has been developed to support adults without an existing full level 3 qualification.

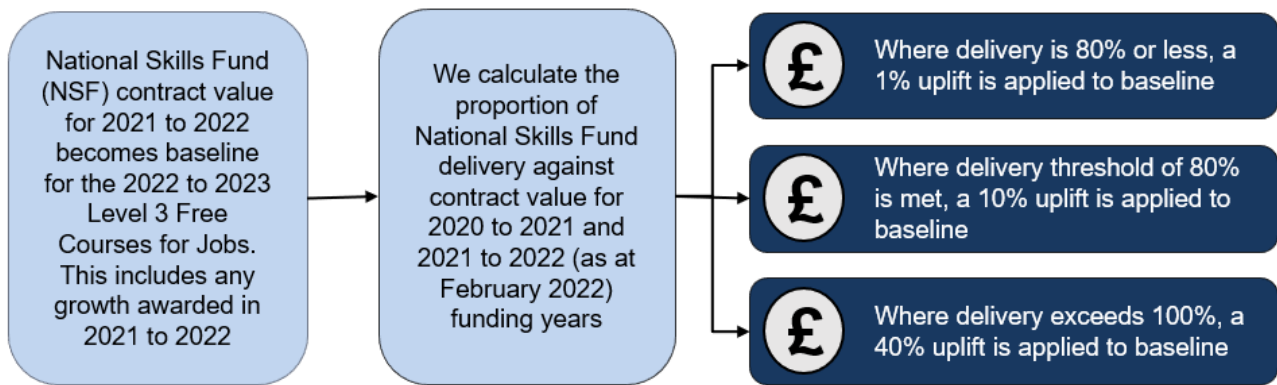
110. Only level 3 qualifications on the [Qualifications in the National Skills Fund - Level 3 Free Courses for Jobs](#) will attract an uplift. There may be additions to the list, to ensure it meets the needs of the economy – we encourage providers to check availability regularly.

111. We have calculated level 3 free courses for jobs allocations for the 2022 to 2023 funding year for providers that:

- 111.1. were successful in the AEB procurement and
- 111.2. awarded funding to deliver National Skills Fund: level 3 adult offer in 2021 to 2022

112. We have used 2021 to 2022 delivery data to date (R06) to calculate your allocation for level 3 free courses for jobs using the following methodology:





113. To calculate the baseline (the starting point of our calculation), we take the value of the National Skills Fund (NSF 24+) allocation that you received in 2021 to 2022. This includes any growth awarded as part of performance management.

114. We then look at your National Skills Fund delivery between August 2021 to February 2022 of the 2021 to 2022 funding from the ILR as of February 2022 (R06). We calculate the percentage you delivered against contract profile to February 2022.

115. The government recently announced that from April 2022, any adult in England who is unemployed or earning under the National Living Wage annually will also be able to access these qualifications through the free courses for jobs offer, regardless of their prior qualification level.

116. To allow for this increased eligibility, if you have not met an 80% delivery tolerance to date (February R06) in 2021 to 2022, you will receive an increase to your 2021 to 2022 contract value of 1%.

117. If you have delivered more than 80% to date (February R06) in 2021 to 2022, but not exceeded 100% delivery, you will receive an increase to your 2021 to 2022 contract value of 10%.

118. If you delivered more than 100% to date (February R06) in 2021 to 2022, you will receive an increase to your 2021 to 2022 contract value of 40%.

119. Funding will be available in year, at set points only, for growth. We will offer additional free courses for jobs funding to providers meeting the criteria set out in funding and performance management rules, when published.

120. We have applied a minimum allocation of £10,000. If your calculated allocation is less than £10,000, we have uplifted your allocation to £10,000.

121. If you have a track record issue (see paragraph 28), then your 2022 to 2023 allocation will be no greater than your current allocation as of March 2022.

122. All delivery used within your allocation calculation includes monitoring and audit adjustments and exception cases to accurately reflect final delivery.

## 19 to 24 traineeships contract for services (2020 procurement)

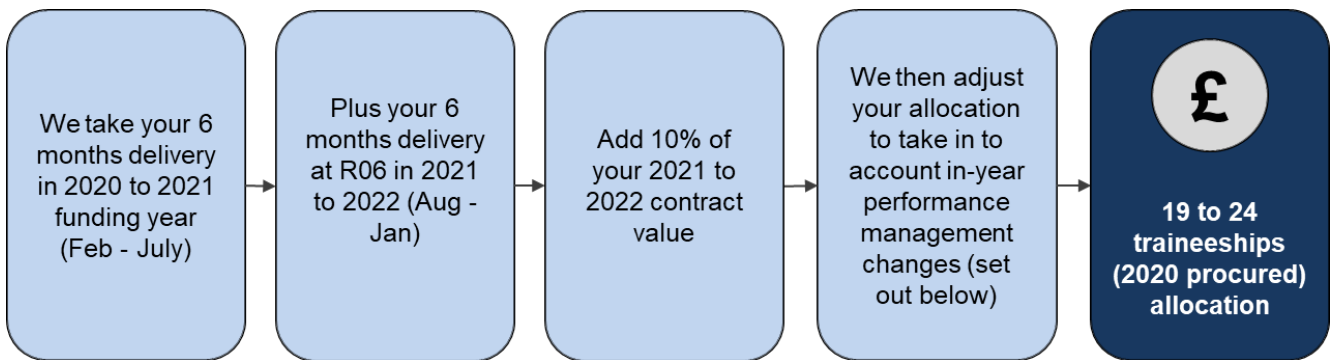
123. This section applies to you if you were successful in the 19 to 24 traineeships 2020 procurement and awarded a new contract for services to deliver traineeships from February 2021.

124. We have calculated 19 to 24 traineeship allocations for the 2022 to 2023 funding year for providers that:

124.1. were successful in the 19 to 24 traineeships 2020 procurement and awarded a new contract for services to deliver traineeships from February 2021

124.2. delivered 19 to 24 traineeships between February 2021 and January 2022

125. We have used the following methodology to calculate 19 to 24 traineeships allocations:



126. To calculate your 19 to 24 traineeships allocation, we take your 19 to 24 traineeships delivery between February 2021 and July 2021 (2020 to 2021 6-months delivery).

127. We add this to your 19 to 24 traineeships delivery between August 2021 and January 2022 (as of your R06 data return). This gives an estimate of your full year delivery.

128. We then add a 10% buffer of your 2021 to 2022 allocation to your full year delivery estimate. This is to provide a level of protection for under-delivery.

129. To align with the 2021 to 2022 funding year performance management rules and reconciliation arrangements:

129.1. if your 2021 to 2022 19 to 24 traineeships allocation was reduced or did not change at the review points (August 2021 and December 2021), your allocation is the baseline, calculated above, or 2021 to 2022 contract value (as of February 2022), whichever is lower

129.2. if your 2021 to 2022 19 to 24 traineeships allocation increased at the review points in 2021 to 2022 (August 2021 and December 2021), we have consolidated the growth into your calculation. Your 2022 to 2023 19 to 24 traineeships allocation is the greater of your baseline or 2021 to 2022 contract value (as of February 2022)

129.3. your allocation is limited to 110% of your 2021 to 2022 contract value.

130. We have applied a minimum allocation of £10,000. We have uplifted your 2022 to 2023 allocation to £10,000 if the allocation we calculated for you is lower than this (unless you have a track record issue).

131. If you had a 19 to 24 traineeships allocation in the 2021 to 2022 funding year but have not been issued with an allocation for 2022 to 2023 because you have not delivered, you have until 6 May 2022 to request an allocation of up to £25,000 or your current contract value, whichever is lower through our business case process. Please see the business case process section of this document for more information.

132. If you have a track record issue (see paragraph 28), then your 2022 to 2023 allocation will be no greater than your current allocation (as of March 2022).

133. Your 19 to 24 traineeships learner support allocation is included as part of your 19 to 24 traineeships allocation. The value allocated for learner support is calculated by the proportion of delivery spent on learner support in 2020 to 2021.

# Advanced learner loan facilities and bursaries

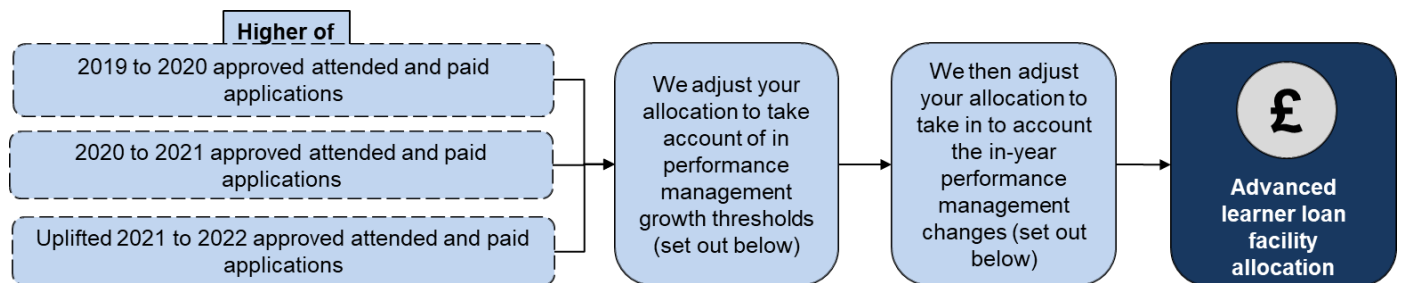
## Loans facility

Loans allocation calculation is consistent with previous years methodologies

134. We have calculated advanced learner loan facility allocations for the 2022 to 2023 funding year for providers that:

- 134.1. have an advanced learner loan facility for the 2021 to 2022 funding year and
- 134.2. delivered between August 2020 and January 2022

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



136. To calculate your advanced learner loans facility allocation (starting point), for the 2022 to 2023 funding year, we use the higher of your approved funded and paid loans applications from:

- 136.1. 2019 to 2020 funding year
- 136.2. 2020 to 2021 funding year or
- 136.3. 1 February 2022 in the 2021 to 2022 funding year uplifted to a full year value by multiplying it by your February to July 2021 delivery in the 2020 to 2021 funding year divided by your 2020 to 2021 full year delivery (as a %).

137. To ensure 2022 to 2023 funding year allocations consider the impact of the pandemic, we have considered three years' worth of delivery when setting advanced learner loans facility allocations for the 2022 to 2023 funding year.

138. We have not reduced delivery by the learners now eligible through the National Skills Fund level free courses for jobs. Instead, we have aligned allocations with the performance management and growth thresholds for 2021 to 2022:

- 138.1. if your 2021 to 2022 loans facility was reduced or did not change at the review points (October 2021 or February 2022), your allocation is the baseline or 2021 to 2022 loans facility (as of February 2022), whichever is lower

138.2. if your 2021 to 2022 loans facility was increased at the review points (October 2021 or February 2022), your allocation is the baseline or 2021 to 2022 loans facility (as of February 2022), whichever is higher

138.3. the growth to 2022 to 2023 allocation is limited to the maximum growth limits within the funding and performance management rules, less growth received in year

Facility as of 1 August 2021	Maximum growth
Up to £100,000	£50,000
£100,000 to £750,000	50%
over £3,000,000	£1,500,000

139. We have considered your future liabilities to ensure allocation is sufficient for learners continuing into the next funding year. Using February 2021 approved, attended and paid applications liabilities into 2022 to 2023, we ensure that you have sufficient funding to support these learners, allowing a buffer if your liabilities are more than 70% of your allocation.

140. We have not issued you with a facility if you have not used your loans facility between July 2019 and February 2022.

141. We have applied a minimum allocation of £5,000. We have uplifted your 2022 to 2023 allocation to £5,000 if the allocation we calculated for you is lower than this (unless you have a track record issue).

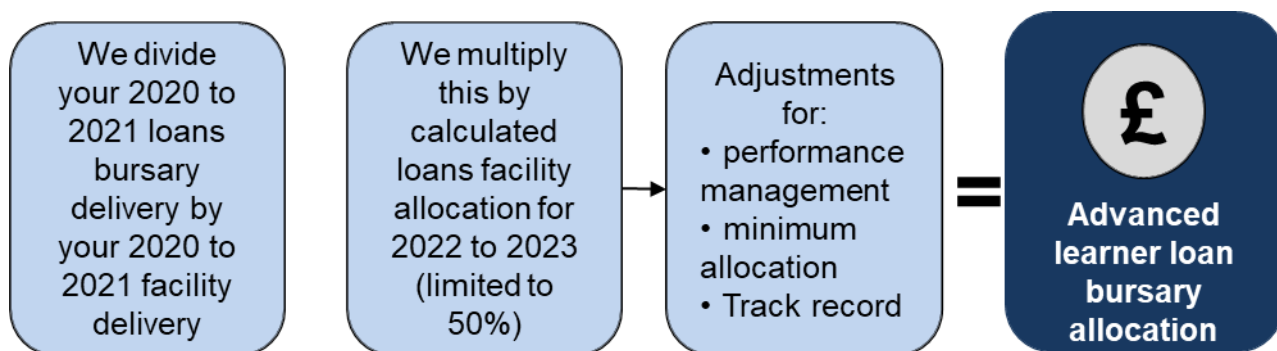
142. If you had an advanced learner loans facility allocation in the 2021 to 2022 funding year but have not been issued with an allocation for 2022 to 2023 because you have not delivered, you have until 6 May 2022 to request an allocation through our business case process. Please see the business case process section of this document for more information. The maximum you can request is £25,000 or your current contract value, whichever is lower.

143. If you have a track record issue (see paragraph 28), then your 2022 to 2023 facility allocation will be no greater than your 2021 to 2022 contract value as of February 2022.

#### Loans bursary

144. We continue to align bursary allocations to programme delivery and aim to have a proportionate bursary value for learner and learning support to the level of facility.

145. We have used the following methodology to calculate advanced learner loans bursary allocations:



146. To calculate your allocation, we have divided how much bursary funding you claimed in the 2020 to 2021 funding year (as of your final funding claim) by the value of your approved, attended and paid loans applications in the 2020 to 2021 funding year as of 1 February 2022.

147. We then multiply this percentage by the advanced learner loans facility allocation we have calculated for you for the 2022 to 2023 funding year.

148. We have applied a 50% limit. If the proportion of your bursary delivery was greater than this, we have reduced you to this proportion.

149. 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.

150. If you did not use your loans bursary in 2020 to 2021, your loans bursary allocation for the 2022 to 2023 funding year will be £100.

151. If you have a track record issue (see paragraph 28) then your 2022 to 2023 facility allocation will be no greater than your 2021 to 2022 contract value as of February 2022.

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

153. This section applies to you if you have had a continuing 16 to 18 traineeships contract prior to 1 August 2021. If your contracts started on 1 December 2021 to deliver 16 to 18 traineeships for the first time, please refer to the section Market entry 16 to 18 traineeships (for providers that do not have 16 to 19 funding).

### 16 to 18 traineeships

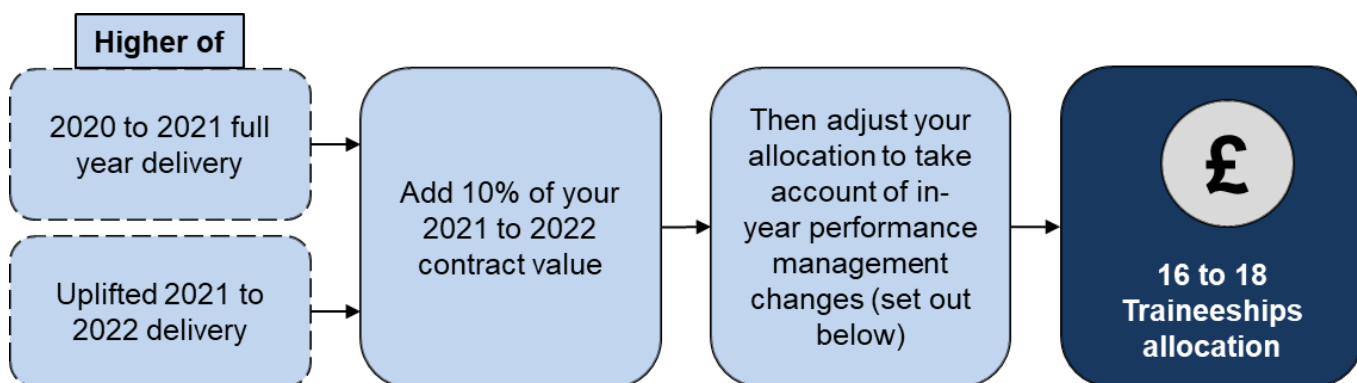
154. We have calculated 16 to 18 traineeships and bursary allocations for the 2022 to 2023 funding year for providers that:

154.1. have a 16 to 18 traineeships contract for the 2021 to 2022 funding year and

154.2. do not have a [16 to 19 funding agreement](#): these are calculated through different arrangements and

154.3. delivered 16 to 18 traineeships between August 2020 and January 2022

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



156. To calculate your 16 to 18 traineeships allocation baseline (starting point), we use the higher of your 16 to 18 traineeship delivery as reported in:

156.1. 2020 to 2021 funding year using your final ILR submission (R14 data return)  
or

156.2. your 2021 to 2022 February 2022 individualised learner records submission (R06) uplifted to a full year value.

157. We then add 10% of your 2021 to 2022 allocation to your baseline. This is to provide a protection for under-delivery.

158. To uplift your February 2022 delivery to a full year, we first identify your historic delivery proportion between January and July by dividing your 2020 to 2021 16 to 18 traineeships delivery between August 2020 and January 2021 (as of your R06 data return) by 2020 to 2021 delivery between August 2020 and July 2021 (as a %). This is then multiplied by February 2022 delivery. This is limited to no more than standard national profile 43.50%.



159. To align with the 2021 to 2022 funding year performance management rules and reconciliation arrangements for:

159.1. if your 2021 to 2022 16 to 18 traineeships allocation was reduced or did not change at the review points in 2021 to 2022 (August 2021 and December 2021), your allocation is the baseline, calculated above, or 2021 to 2022 contract value (as of February 2022), whichever is lower

159.2. if your 2021 to 2022 16 to 18 traineeships allocation increased at the review points in 2021 to 2022 (August 2021 and December 2021), we have consolidated the growth into your calculation. Your 2022 to 2023 16 to 18 traineeships allocation is the greater of your baseline or 2021 to 2022 contract value (as of February 2022).

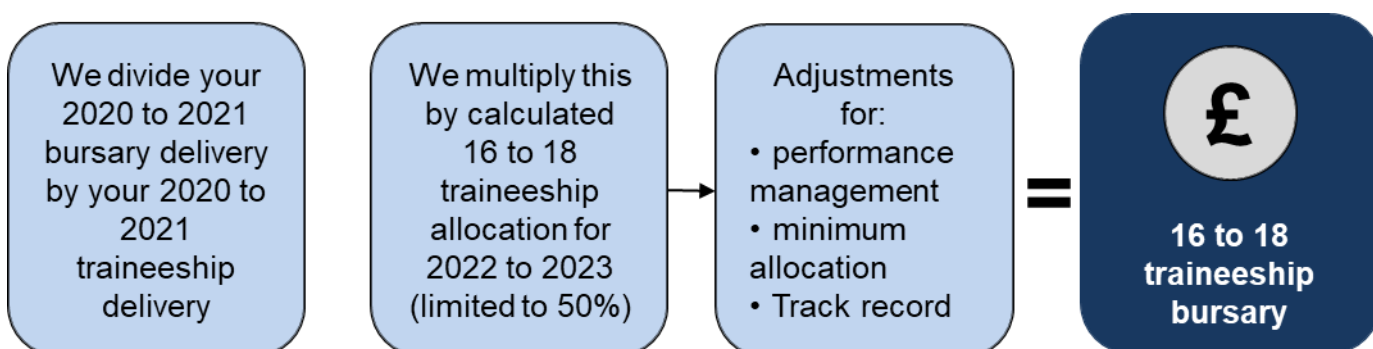
159.3. your allocation is limited to 110% of your 2021 to 2022 contract value.

160. We have applied a minimum allocation of £10,000. We have uplifted your 2022 to 2023 allocation to £10,000 if the allocation we calculated for you is lower than this (unless you have a track record issue).

161. If you have a track record issue (see paragraph 28), then your 2022 to 2023 allocation will be no greater than your current allocation (as of March 2022).

162. If you have a 16 to 18 traineeships allocation in the 2021 to 2022 funding year but have not been issued with an allocation for 2022 to 2023 because you have not delivered, you have until 6 May 2022 to request an allocation through our business case process. Please see the business case process section of this document for more information. The maximum you can request is £25,000 or your current contract value, whichever is lower.

## 16 to 18 traineeships bursary



163. To calculate your 16 to 18 traineeships bursary allocation, we divide your 2020 to 2021 16 to 18 traineeships bursary delivery as percentage of your 16 to 18 traineeships programme delivery in the 2020 to 2021 funding year as of your R14 ILR data return.

164. We then multiply this percentage by the 16 to 18 traineeships allocation we have calculated for you for the 2022 to 2023 funding year.



165. We have applied a 50% limit. If the proportion of your bursary delivery was greater than this, we have reduced you to this proportion.

166. We have applied a £500 minimum allocation. If the allocation we calculated for you was less than this, then we have uplifted your allocation to this value.

167. If you did not use your traineeship bursary in 2020 to 2021, your 16 to 18 traineeship bursary allocation for the 2022 to 2023 funding year will be £500.

168. If you have a track record issue (see paragraph 28) then your 2022 to 2023 allocation will be no greater than your current allocation (as of March 2022).

## Market entry 16 to 18 traineeships (for providers that do not have 16 to 19 funding)

169. This section applies to you if you submitted an application to deliver 16 to 18 traineeships for the first time and were successfully awarded a contract in November 2021.

170. New contracts started from 1 December 2021 through the market entry process. Due to limited data in March, allocation is calculated in June using May (R10) data.

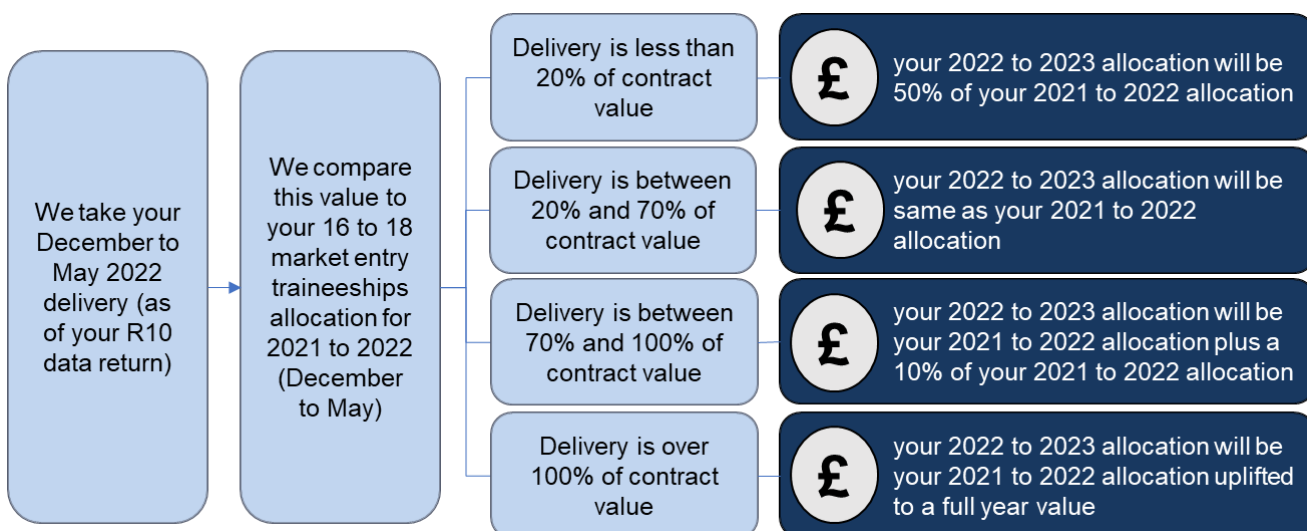
171. We have calculated 16 to 18 traineeships and bursary allocations for the 2022 to 2023 funding year for providers that:

171.1. have a 16 to 18 traineeships contract for the 2021 to 2022 funding year and

171.2. do not have a 16 to 19 funding agreement: these are calculated through different arrangements and

171.3. delivered 16 to 18 traineeships from 1 December 2021

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



173. To calculate your 16 to 18 traineeships contract for service allocation, we compare your delivery between 1 December 2021 and 31 May 2022 (as of your R10 data return) to your profiled allocation up to May 2022 (2020 to 2021 contract value multiplied by the standard national profile for this period, 66.66%).

174. If your R10 delivery was than less than 20% of your profiled contract value up to May 2022, your 2022 to 2023 allocation will be 50% of your 2021 to 2022 allocation.

175. If your R10 delivery was above 20% but below 70% of your profiled contract value up to May 2022, your 2022 to 2023 allocation will be same as your 2021 to 2022 allocation.

176. If your R10 delivery was above 70% of your profiled contract value up to May 2022, your 2022 to 2023 allocation will your 2021 to 2022 allocation plus a 10 percent buffer of your 2021 to 2022 allocation.

177. If your R10 delivery was above 100% of your profiled contract value up to May 2022, your 2022 to 2023 allocation will be your 2021 to 2022 allocation uplifted to a full year value (2021 to 2022 contract value divided by the standard national profile for the period 66.66%).

178. We have excluded learner support from the comparison calculation; however, we have applied a value similar to your 2021 to 2022 learner support allocation.

179. If you have a track record issue, then your 2022 to 2023 allocation will be no greater than your current allocation.

## Apprenticeships non-levy (procured)

This section sets out how apprenticeship non-levy extension allocations for 1 April 2022 to 31 March 2023 have been calculated. This section will be of interest to training providers with apprenticeship non-levy contract for services.

From 1 April 2021, you can no longer use this allocation to fund new starts. All new starts must be funded via the Apprenticeship Service from this date.

This allocation is for the purpose of carry-in learners only. Funding calculated is for apprentices that started on this contract on or before 31 March 2021 and continue and require funding between 1 April 2022 to 31 March 2023.

180. Where necessary, we will allocate and extend your contract for service on an annual basis until apprentices that started on this contract between 1 January 2018 and 31 March 2021 complete their programmes and funding is no longer required.

181. We have used the same calculation for 16 to 18 and 19+ apprenticeships, but we have run them separately, at age band level.

182. We used R04 (December 2021) data return and our standard carry-in allocations methodology set out below to calculate the funding required in 2023 to 2024.

183. We have worked out your allocation by calculating all future costs occurring between 1 April 2022 and 31 March 2023

184. We assume that:

- 184.1. all apprentices remain on programme until their planned end date and earn all on programme payments due
- 184.2. there is no drop-out
- 184.3. all apprentices achieve on their planned end date and earn their achievement payment on this date
- 184.4. learners who passed their planned end date in 2021 to 2022 financial year and are still in learning (that is late achievements)

185. We will apply a £1,000 minimum allocation. If you have non-levy apprenticeship contract (split between age-bands) and allocation we calculated for you was less than this, then we have uplifted your allocation to this value.

186. If you had issues with your R04 data (November 2021 data submitted in December 2021) that you believe have significantly affected your allocation, you can raise a business case. Please complete the [business case template](#) if you need to raise a case.

187. The deadline for submitting a business case is 31 March 2022. We aim to communicate outcomes of business cases in June 2022. Please see the business case process section of this document for more information.

188. If you need to raise a business case, please ensure you sign your contract variation before 31 March 2022 so it does not expire. Signing your contract will not affect the outcome of your business case.

189. You must use your allocation within the terms and conditions of your funding agreement. You must operate within the relevant apprenticeship funding rules. If you do not operate within the rules, you will be in breach of your contract.

190. Please read apprenticeship performance management rules for how we will review your contract value in year, including payments and capping. These will be published in July 2022.

191. Your contract is for the financial year and will be managed as such.

192. Your procured non-levy apprenticeships contract remains separate from:

192.1. apprenticeships carry-in allocations for starts between prior to 1 January 2018  
and

192.2. any funding you may be earning through the Apprenticeship Service

193. We will let you know your future apprenticeship non-levy funding for the 2023 to 2024 financial year in February 2023.

## Apprenticeships carry-in (non-procured)

194. Apprenticeship carry-in allocations for the 2022 to 2023 funding year will be issued in July 2022 through [Manage your Education and Skills Funding](#) .

195. We will use your R10 (May 2022) data return, and our standard carry-in allocations methodology set out below to calculate the funding required in 2022 to 2023 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).

196. We will use the following methodology to calculate apprenticeship carry-in allocations for the 2022 to 2023 funding year. Allocations will only include funding that will be earned between 1 August 2022 and 31 July 2023.

197. Before 1 May 2017 (under the old funding system)

197.1. For frameworks:

- identified apprentices that started before 1 May 2017, or restarts after the 1 May 2017 under the old funding system, and will still be in learning on 1 August 2022
- calculated the future cost of these apprentices including learner support.

197.2. For standards:

- identified apprentices that started before 1 May 2017, or restarts after the 1 May 2017 under the old funding system, and will still be in learning on 1 August 2022
- 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.

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

- identified apprentices that started between 1 May and 31 December 2017 and will still be in learning on 1 August 2022

- or Identified apprentices that started between 1 January 2018 and 31 March 2018 and will still be in learning on 1 August 2022
- calculated the future cost of these apprentices, including the cost of: Maths and English, learning support, additional payments, disadvantage funding and the 16 to 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).

199. We will then round these values up to £100 and added them together to calculate your allocation.

200. Our methodology will assume:

200.1. all apprentices remain on programme until their planned end date and earn all on programme payments due

200.2. there is no drop-out

200.3. all apprentices achieve on their planned end date and earn their achievement payment on this date

200.4. learners who passed their planned end date in 2021 to 2022 funding year and not yet achieved are still in learning (that is, late achievements)

201. We will apply a £1,000 minimum allocation. If you have an apprenticeships carry-in contract for the 2021 to 2022 funding year, you will receive at least £1,000 unless you also received a minimum allocation for the 2021 to 2022 funding year and have not used your allocation (as of your R10 data return).

202. If you had issues with your R10 data (May 2022 submitted) that you believe have significantly affected your allocation, you can raise a business case. Please complete the business case template if you need to raise a case.

203. The deadline for submitting a business case is 31 August 2022. We aim to communicate outcomes of business cases in October 2022. Please see the business case process section of this document for more information.

204. If you need to raise a business case, please ensure you sign your contract variation before 31 August 2022, so it does not expire. Signing your contract will not affect the outcome of your business case.

205. Please read the apprenticeship performance management rules for how we will review your contract value in year, including payments and capping. These will be published in July 2022.

206. Where necessary, we will allocate funds beyond 31 July 2023 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 2023 to 2024 funding year in the summer of 2023.

207. Your apprenticeships carry-in allocations remain separate from:

207.1. your procured non-levy apprenticeships contract value for starts between from 1 January 2018 and 31 March 2021 (if you were successful in the procurement)

207.2. any funding you may be earning through the Apprenticeship Service

## Glossary

Term	Description
Carry-in	Apprentices or learners that started in the prior funding year where the contract has ended but we continue to pay for learners/apprentices that have not completed their programme.
Continuing learners	Learners that started in the prior funding year and did not complete or are continuing their programme into the following funding year.
Devolution of adult education functions	The devolution of adult education functions refers to the transfer of certain Secretary of State functions in the Apprenticeships, Skills, Children and Learning Act 2009 to specified Mayoral Combined Authorities by way of orders made under section 105A of the Local Democracy, Economic Development and Construction Act 2009, and the delegation of those functions to the Mayor of London under section 39A of the Greater London Authority Act 1999, in relation to their areas.
Disaggregation	A disaggregation is when providers (usually colleges) separate into separate organisations. The proportion of the allocation that each separate organisation receives is usually agreed between the relevant parties and then allocations are adjusted by the ESFA.
Earnings adjustment statement (EAS)	The form providers need to fill in to claim funding that cannot be claimed through the Individualised Learner Record (ILR).
Financial year	The ESFA's financial year starts on 1 April and finishes on 31 March.
Funding claim	Providers who are paid on profile (in instalments based a national profile rather than actual delivery) must submit 3 funding claims each year to tell us how much they expect to delivery and how much they actually delivered at the end of the year. For more information see the <a href="#">ESFA funding claims and reconciliation</a> page.
Funding year	The ESFA's adult funding year start on 1 August and finishes on 31 July.



Funding agreement (or contract)	The agreement between the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA) and providers who receive funding for education and skills training
Individualised learner record (ILR)	The primary data collection requested from learning providers for further education and work-based learning in England. The government uses this data to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education
Learner support	Funding to enable providers to support learners with a specific financial hardship that might prevent them from being able to start or complete their learning.
Learning support	Funding to enable providers to put in place a reasonable adjustment, set out in the Equality Act 2010, for learners with an identified learning difficulty and/or disability to achieve their learning goal
Merger	A merger is when 2 or more providers (usually Colleges) join to form one organisation. We combine all of the separate allocations into the continuing provider's allocation.
Non-formula community learning funding	Where applicable, providers receive a non-formula funded community learning allocation as part of their AEB which is paid on a monthly profile. Submission of ILR data does not generate a funding value for the learning aim(s) a learner participates in. Instead, providers attribute costs up to the value of their non-formula community learning allocation. Providers submit community learning data through funding model 10.
National affordability factor	This is a percentage we apply to allocations calculations to ensure the total amount allocated to all providers is within the budget available and the budget is shared equally amongst all providers.

Ofqual	The Office of Qualifications and Examinations Regulation, which regulates qualifications, examinations and assessments in England.
Register of training organisations (the Register)	A register that provides assurance on organisations that deliver non-apprenticeship education and training services funded by the ESFA, or subcontractors with an aggregated contract value of £100,000 or more in our non-apprenticeship supply chain. Organisations apply to enter the register by completing our market-entry pre-qualification process, which includes due diligence questions and testing of capacity and capability.
Virement	The process of moving money from one contract period or budget to a different one.



Education & Skills  
Funding Agency

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