



Education & Skills
Funding Agency

ESFA Funded Adult Education Budget Funding Rates and Formula 2022 to 2023

Version 2

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Introduction and purpose of the document

1. This document sets out the principles and features of our funding system for the 2022 to 2023 funding year (1 August to 31 July) for ESFA-funded Adult Education Budget (AEB) delivery and 16 to 18 Traineeships. We may make changes to these principles and features during the funding year.
2. This document describes how we calculate 'formula-funded' earnings for ESFA funded AEB, 16 to 18 traineeships (funded under adult contracts) and learning support for these programmes. We define 'formula-funded' activity as that recorded under Funding Model 35 ('Adult skills') unless specifically noted.
3. This document does not include or describe:
 - devolved delivery. For more information on devolved delivery, refer to the 'Devolution of the adult education budget' section.
 - the 'non-formula-funded' activity within ESFA funded AEB which is reconciled through the funding claims process. For more information on funding claims, refer to the [ESFA funded adult education budget funding rules](#).
 - learners funded through an Advanced learner loan. For more information on these, please refer to the [Advanced learner loans funding and performance management rules](#).
 - apprenticeships. For more information on apprenticeships, refer to the Apprenticeship funding and performance management rules and the [Apprenticeship technical funding guide](#).
 - offender learning in custody - the Ministry of Justice is responsible for these learners.
 - details of the [16 to 19 funding model](#) unless specifically stated.
4. To understand how our funding system works, read this document together with:
 - the [ESFA funded adult education budget funding rules](#)
 - the [Individualised Learner Record Specification \(ILR\)](#)
 - the [Provider Support Manual](#).

Understanding our terminology

5. The term 'we' or 'us' refers to the Education and Skills Funding Agency.
6. 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 version 1 of this guidance

7. We have added a new section to describe the "Earnings Boost" as announced in [ESFA Update on 1 March 2023](#). This is in Annex 3: Earnings Boost.

Changes to the funding system from the 2021 to 2022 funding year

8. We have removed references to High value courses for school and college leavers: a one-year offer for 18 and 19-year-olds, as you were required to complete delivery on these courses by 31 March 2022 in the 2021 to 2022 funding year.
9. There are no further major changes to the funding system for the 2022 to 2023 year.

Devolution of the adult education budget

10. The government agreed a series of devolution deals between central government and local areas ('devolved authorities') in England. The combined authorities have responsibility to ensure eligible learners aged 19 and over who reside in their area have appropriate education and training. Traineeships remain a national programme and are not devolved.
11. Providers with funding for devolved delivery from a devolved authority area will use the ILR again in the 2022 to 2023 funding year. The Source of Funding (SOF) codes identify the devolved authority whose contract is funding these devolved learners.
12. We will provide funding reports for devolved delivery using our funding calculation. The detailed occupancy report will include the appropriate funding line type for the devolved authority using the SOF field from the ILR collection. This report may form the basis on which the devolved authority funds you, which could differ in amount or delivery methodology than that we use. Each devolved authority will use their own systems and processes to pay you.
13. Please refer to the [Individualised Learner Record Specification \(ILR\)](#) and the [Provider Support Manual](#) for further details on recording devolved delivery.

The data we use to calculate funding

14. You give us information about learners and their learning using the [Individualised Learner Record](#) (ILR) and the [Earnings Adjustment Statement](#) (EAS). Our funding system uses this information to work out the funding you have earned for delivering this learning.

Our funding system features

15. Our funding system has the following four features, which are set out in more detail throughout this document:

- **The funding formula**, including uplifts to the rates to account for the extra costs that you may experience when delivering learning to some types of learners and in some locations.
- **The funding rates** for learning aims and work placements.
- **The earnings method**, linked to delivery and achievement.
- **Support funding** where extra help is needed for learners to achieve.

Our funding formula

Principle

16. The funding formula is:

Funding = rate x disadvantage uplift x area cost uplift

17. We adjust the funding formula to allow for differences in the relative cost of delivery. These differences relate to factors other than the size, sector or subject of the learning aim. Where appropriate, we adjust funding for 'disadvantage uplift' or 'area cost uplift', or both.

18. The basis for funding is the rate for the learning aim. We refer to rates as 'unweighted' before we apply programme weightings or any increase for disadvantaged learners or area cost. After we apply the programme weighting, we refer to the rate as 'weighted'. After we apply the uplifts, we refer to the 'aim value', as noted in the 'Main Occupancy report'.

19. In some cases, we expect learners and employers to share responsibility for investing in eligible provision. We expect them to part-fund the cost of learning, known as co-funding. For more information on co-funding, refer to the 'Provision and individuals we fund' section of the [funding rules](#).

Disadvantage uplift

20. The disadvantage uplift provides extra funding to support the most disadvantaged learners, recognising that they are sometimes more costly to recruit and retain. We apply this consistently across ESFA 'formula-funded' AEB provision.

21. To calculate the disadvantage uplift for new starts from 1 August 2021 we use the [Index of Multiple Deprivation](#) 2019 (IMD). This results in a funding increase for learners living in the most deprived areas of the country. We base the uplift on the learner's postcode (based upon the 'Postcode Prior to Enrolment' [ILR](#) field). If required the uplift factor is between 1.084 and 1.336, otherwise we default the factor to 1.
22. The disadvantage uplift factor at the start of the learning aim will apply throughout the duration of the learning aim. For the disadvantage factors used for starts before 1 August 2021, refer to the appropriate [Funding Rates and Formula document](#).
23. Devolved authorities may wish to set different disadvantage factors to the ESFA for their funded delivery. The funding calculations for the 2021 to 2022 year and subsequent years applied different disadvantage factors based on the Postcode Prior to Enrolment. We calculate the funding for Provision for Free Courses for Jobs using the ESFA's disadvantage factors, even when funded by a devolved authority.
24. The disadvantage uplift factors are available at [Uplift Factors and Postcode Files](#), [this includes the devolved authority factors](#). For more information about how the devolved authorities set their factors, please contact the relevant devolved authority.

Area cost uplift

25. The area cost uplift reflects the higher cost of delivering training provision in some parts of the country, such as London and the South East. We apply this consistently across ESFA 'formula-funded' AEB provision.
26. If required the uplift factor is between 1.01 and 1.20, otherwise we default the factor to 1. We base the uplift on the 'Delivery location postcode' recorded in the [ILR](#). As the delivery location of distance and e-learning provision is not set, we default the area uplift factor to 1. [Annex 2](#) contains details of areas where we provide an area cost increase. The area cost uplift factors are available at [Uplift Factors and Postcode Files](#).
27. The area cost uplift factor at the start of the learning aim will apply throughout the duration of the learning aim. The area cost factors in [Annex 2](#) are the same in 2022 to 2023 compared to 2021 to 2022.

Financial contributions

28. If a learner meets the criteria for full funding (refer to the 'Provision and individuals we fund' section of the [ESFA funded adult education budget funding rules](#) for more information), you can claim the fully funded rate shown in the matrix. For co-funded learners, we expect the learner or employer to contribute so we reduce the funding by 50% of the unweighted rate of the learning aim.
29. We reduce the funding using the unweighted base rate because a learner should not contribute more for the same size of the learning aim just because that learning aim is more costly to deliver. This means that the government will contribute more towards learning aims with higher operational and delivery costs, such as engineering.

Recognition of prior learning

30. If you record data in the 'Funding adjustment for prior learning' field on the [ILR](#), we change the funding formula to reflect this. However, it does not change the fixed monthly learning support funding.
31. If the learning aim does not use the restart indicator, we reduce the achievement funding as well as the monthly instalments. This is because we assume the learner has earned some achievement within the prior learning.
32. If the learning aim uses the restart indicator, we reduce the monthly instalments, but the achievement funding stays at 20% of the full funding rate.

Other funding adjustments

33. Where you have agreement with us to adjust funding for other reasons apart from prior learning, you must record it in the 'Other funding adjustment' field in the [ILR](#). You must not use this ILR field if you do not have an agreement in place with us and we will monitor its use.
34. This 'Other funding adjustment' factor reduces the funding for that learning, including the achievement funding; however, it does not change learning support funding.
35. If there is also a factor for prior learning recorded, we multiply the 'Funding adjustment for prior learning' factor by the 'Other funding adjustment' factor and apply it to the appropriate funding.

Our funding rates

Principles

36. The list of regulated qualifications approved for public funding are on [Find a Learning Aim](#) that we update regularly. For information about what is eligible for public funding, refer to [Qualifications: eligible for public funding](#).
37. We fund each learning aim, whether it represents a qualification or other learning activity, at the rate that applies when the learner starts that learning aim. This principle is the same for a new start in the funding year 2022 to 2023 and a continuing learner from previous years. This rate will apply for the full duration of the learning aim and does not change between funding years.
38. The amount you earn recognises the relative costs of delivering provision in different sectors and subjects, and we set the rates using the following criteria:
 - guided learning hours (GLH) where the qualification is part of the Regulated Qualifications Framework (RQF).
 - planned activity in hours – for non-regulated activity.
 - certain qualification types (refer to paragraph 50 for more information).
 - programme weightings that recognise the relative costs of delivering training in different sectors and subjects.
39. We add an uplift to the rate for all learners on Free Courses for Jobs, more details can be found in paragraph 63.
40. We group GLH or planned hours into funding bands to generate a funding rate. The rates are in a Single Activity Matrix (SAM), with the rows representing the funding band and the columns representing the programme weighting.
41. All rates shown on [Find a Learning Aim](#) are fully funded rates for learners aged 19 and above for qualifications and non-regulated activity. We adjust these rates through the funding formula according to our policy (for example, if the government contributes only part of the full rate).
42. All learners funded through the 16 to 19 funding model that turned 19 in their second or subsequent funding year of a single programme of study continue to be funded through the 16 to 19 funding model. The only exception is traineeships where you do not hold a 16 to 19 contract (see paragraph 57 for details).
43. Our rates do not change depending on how you deliver the learning (for example, by delivering it on-line compared to in the classroom).

44. Where a learning aim had a rate set in the previous funding year, this rate remains unchanged for 2022 to 2023. Qualifications newly approved for funding are set using GLH. For non-regulated activity, we use planned hours to set the rates. For more information on planned hours, refer to the [ESFA funded adult education budget funding rules](#).
45. We record non-regulated activity using generic learning aims called 'class codes'. For more information, refer to the [Learning aim class codes document](#).

Programme weightings

46. Programme weightings recognise the relative costs of delivering training in different sectors and subjects and are included in the published rates.
47. We set programme weightings by referring to the Sector Subject Area (SSA). For all regulated qualifications and components of qualifications, awarding organisations decide the SSA. The [Register of Regulated Qualifications](#) and the [Quality Assurance Agency](#) websites record the SSAs. We set the SSA where there are multiple SSAs for components of qualifications, along with a limited number of exceptions available in [Annex 1](#).
48. Agriculture courses that need specialist resources (decided each year with support from Lantra) attract an extra uplift in the ESFA funded AEB when delivered by providers with specialist resources.

The Single Activity Matrix

49. The SAM for the funding year 2022 to 2023 is set out in table 1:

Table 1: The single activity matrix for 2022 to 2023.

Funding band – Hours	Activity type	Programme weighting (PW)				
		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 or more	Very large provision (3)	£6,602	£7,395	£8,583	£10,564	£11,356

*Some specialist provision receives an uplift if delivered by certain providers (see paragraph 48)

50. Certain qualifications in table 2 have their funding band set as a matter of policy:

Table 2: The exceptions to the single activity matrix for 2022 to 2023.

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 Functional skills in Entry level maths	£724	-	£941	-	-
Functional skills in IT	-	£336	-	-	-
Access to Higher Education	£3,022	£3,384	£3,928	£4,835	£5,197

51. If you deliver English and maths GCSEs to adults aged 19 and over, you will receive a rate of £811, which is higher than the normal GCSE rates for those subject areas.
52. You cannot fund English and maths for apprentices through the ESFA funded AEB. The full list of fundable English and maths qualifications is available in the [English and maths entitlement list](#) or on the [Find a Learning Aim](#).
53. If you offer English for Speakers of Other Languages (ESOL) qualifications, you may need to deliver additional learning to individual learners that incurs additional costs above the qualification rate. Where additional hours are required, you can record these on the ILR using the 'Additional delivery hours' field, as detailed in the [ILR specification](#) and the [Provider Support Manual](#).
54. The key steps for claiming top-up for an ESOL qualification that is planned to be delivered in 60 hours are:
- Identify the original funding band of the ESOL qualification. For example, if we fund the qualification at £150, this equates to the '21 to 44' hours funding band in the SAM.
 - Calculate the additional hours. This is the 60 planned hours minus the maximum GLH value of the ESOL qualification's funding band from the SAM. In this example, the maximum GLH from the '21 to 44' hours band is 44, therefore the additional hours you need to record in the ILR are 60 minus 44 = 16.
 - The funding calculation automatically assigns the additional hours recorded on the ILR to the SAM to allocate a funding band, which then generates a top-up rate. The 16 additional hours equates to the '13 to 20' hours funding band. The '13 to 20' hours funding band generates £100 for the top up (all ESOL aims have programme weighting A).
 - The overall rate is then the original rate (£150) plus the top up amount (£100) which is £250.

Traineeships

55. We will calculate funding in 2022 to 2023 using the same method as in the 2021 to 2022 funding year.
56. We calculate funding for all 16 to 18 traineeships through the 16 to 19 funding model. If you do not have a 16 to 19 contract for 16 to 18 traineeships, we will pay you using a specific adult contract; in which case, the funding follows our funding principles and we will calculate the earnings monthly.

57. For 16-18 traineeships funded through a specific adult contract, if the learner was 18 years old on 31 August 2021 and is continuing a traineeship on 1 August 2022, we will fund the remainder of the traineeship from that specific contract rather than the AEB.

58. There are three aspects of 19 to 24 traineeship funding:

- The single work-placement and work-preparation rate. For traineeships starting on or after 1 September 2020, this rate is £1,500.
- GCSE English and maths (if required) or other qualifications to support progress towards GCSE English and maths at grades 4 to 9 (A* to C).
- 'A flexible element' designed to help the learner move into work or remove a barrier to them entering work.

59. We will fund English, maths and the flexible elements through the matrix using the same method as ESFA funded AEB provision. This may include job outcome payments in some cases, as described in paragraph 75.

60. Work preparation learning aims do not generate funding, as they are included within the single work-placement rate for work placement and work preparation.

61. We identify work preparation learning aims through [Find a Learning Aim](#) with a category of 'Work Preparation – SFA Traineeships'. We base the category upon the SSA 14.2 (Preparation for Work). For more information, refer to the 'Learning Aims Reference Service Categories' document on [GOV.UK](#).

62. You earn the achievement payment for the work-placement and work-preparation element when the learner has a successful outcome recorded on the [ILR](#). For example, if the learner progresses to an apprenticeship, job or further learning as defined in the [ESFA funded adult education budget funding rules](#).

Level 3 Free Courses for Jobs

63. We are offering additional funding through [Free Courses for Jobs](#) for adults on their first level 3 qualification (as well as learners who have completed a designated short course through Free Courses for Jobs since April 2021) as defined in the [ESFA funded adult education budget funding rules](#). From April 2022 this offer has also been available for adults who are unemployed or earning low wages (below the national living wage), even if they hold a full Level 3 qualification or higher. We will fund this learning like we fund other AEB delivery, with the following exceptions:

- Learners eligible for this offer can be fully funded; we have changed the validation rules to allow this, for learners who are not already eligible for full-funding.

- We will increase the weighted rate by £600 for eligible aims in [category code 45](#) ('National Skills Fund Level 3 Free Courses for Jobs rate 1') or by £150 for eligible aims in [category code 46](#) ('National Skills Fund Level 3 Free Courses for Jobs rate 2').
- We will increase the £150 or £600 by the area cost uplift and/or disadvantage uplift if applicable to that learning aim.
- To calculate learner-level capping over the 2022 to 2023 funding year, we use the unweighted rates without the £150 or £600 increase.

64. Learners aged 23 or younger (based on their age on the day they start the qualification) taking their first level 3 qualification (as well those who have completed a designated short course through Free Courses for Jobs since April 2021) utilising Free Courses for Jobs will be funded through your procured or non-procured ESFA Adult Education Budget funding lines.

65. Learners aged 24+ (based on their age on the day they start the qualification) taking their first level 3 qualification (as well as those who have completed a designated short course through Free Courses for Jobs since April 2021) utilising Free Courses for Jobs will be funded through your procured or non-procured National Skills Fund funding lines.

66. You should use the Learning Delivery Monitoring (LDM) code 378 (Adult Level 3 offer) in the ILR to indicate your learning aims that are eligible within this offer.

67. You must also use LDM code 382 when recording learners who meet the low wage eligibility. Devolved authorities can also set their own wage threshold (below which adults with an existing Level 3 can access Free Courses for Jobs).

68. Devolved Authorities have some limited flexibility to use their National Skills Fund allocation to fund, for their residents, additional qualifications which are not part of the national offer. The devolved authorities are responsible for notifying you about any qualifications where this flexibility applies. For these qualifications, the funding calculation will not increase the weighted rate by £150 or £600.

Our earnings method

Principles

69. The following principles apply to our approach to your earnings:

- funding is distributed over the duration of the learner's course, from starting the programme to achieving the expected outcome.
- funding is directly linked to the learner completing their course and them achieving either learning aims, further learning or gaining employment.
- you earn funding for what you deliver, when you deliver it.

Qualifying period for funding

70. If a learner is in learning for at least the qualifying period, we count them as a 'funding start'. We calculate this from the [ILR](#) 'Learning Start Date':

Length of the learning aim	Qualifying period
168 days or more	42 days
14 to 167 days	14 days
Fewer than 14 days	1 day

Distribution of funding over time

71. We base your earnings on monthly instalments plus an achievement element. This applies to all learning aims except some traineeship exceptions:

- For 16 to 18 traineeships funded through a 16 to 19 contract, refer to the [16 to 19 funding guidance](#) for how funding is generated.
- For 16 to 18 traineeships funded through a specific adult contract we generate funding using the on-programme funding value generated from the 16-19 funding calculation for the current year, subject to a qualifying period. This also applies to those 16-18 traineeships funded through a specific adult contract who were 18 years old on 31 August 2021 and continue a traineeship on 1 August 2022. This amount is split equally across each month the learner is in-learning in the funding year between the start date and the planned end date (or the actual end date if this is earlier). We do not use census dates, so the learner only needs to be in learning for one day at the start or end of the month to earn funding in that month.

72. We hold back 20% of the weighted rate for each learning aim, which we will only generate when the learner achieves their learning aim. You earn all achievement elements on the learning actual end date recorded on the ILR, except for those in 19 to 24 traineeships, which you earn on the achievement date.
73. We calculate the monthly instalments once we have removed the achievement element (20%). We spread out these instalments over the number of planned months for the learning aim, with a double payment in the first month. The instalment calculation uses the formula 'n+1', where 'n' is the number of planned months. The formula recognises the upfront costs associated with enrolling a learner on a learning aim.
74. You earn the instalments if the learner is in learning on each census date (the last calendar day of every month). The planned number of months is calculated from the 'Learning start date' and the 'Learning planned end date' in the [ILR](#).
75. If the learner leaves early, the monthly instalments stop. However, for eligible learners we will pay you a job outcome payment which will be half of the achievement element. If the learner then goes on to achieve the learning aim, you will earn the outstanding monthly instalments and the rest of the achievement element. For more information on job outcomes, refer to the [ESFA funded adult education budget funding rules](#).
76. Figure 1 is an example of the earnings method for a learner starting a course in September and achieving in June. It shows how you earn funding for a course with a total cost of £1,000 over the nine-month period: nine monthly on-programme payments (OPP) of £80, plus a double monthly OPP (that is, n+1) of £160 in the first month and an achievement payment of £200 upon completion.

Figure 1: Example of the earnings methodology.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	9-month learning aim											
Payment instalments		OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	Achievement payment	
		OPP										
Payment example		£160	£80	£80	£80	£80	£80	£80	£80	£80	£200	

Annual funding cap

77. An annual funding cap applies to each learner for each funding year across all ESFA funded AEB provision and devolved AEB provision.
78. The annual funding cap is £4,400 for each learner each year, before we apply any weightings or calculate government contributions. If your planned training provision is above this cap, we will reduce your earnings in line with this.
79. Where we apply an uplift to a rate, which this year only applies to Free Courses for Jobs, the uplift is not included within the calculation of the cap.

Recording late data in the ILR

80. If a learner is continuing learning at the final R14 collection at the end of the year, but you record in the subsequent ILR year that they should have left in the previous ILR year, you will have earned funding that you need to pay back.
81. For example, at R14 in the 2021 to 2022 ILR you record a learner as starting on 12 July 2022 and continuing at R14. In the 2022 to 2023 ILR you record them as having left on 18 July 2022. In this scenario, they will have earned a monthly on-programme payment in July 2022 from the 2021 to 2022 ILR that will need paying back. You can pay this funding back through the [EAS](#) recording a negative figure in the 'Authorised claims' adjustment type. You do not need our permission to use this adjustment type to pay back funding, you only need permission to use this adjustment type for claiming funding. However, please let us know the details behind the adjustments you are repaying funding for by emailing Funding.MONITORING@education.gov.uk.
82. For more information on recording late data in the ILR, please refer to the section: 'The impact of incomplete information' in the [ILR Provider Support Manual](#).

Support funding

Learning support

83. You can access this funding through the ESFA funded AEB and 16 to 18 Traineeships and you record this against a learner's learning aim in the [ILR](#). This includes learning support for traineeships where we calculate your funding using the 16 to 19 funding model through a specific adult contract; in this instance, you should use the [EAS](#) to claim learning support instead of the ILR.
84. If you are claiming Learning support for a learner who is studying an apprenticeship learning aim and a non-apprenticeship learning aim in the same month, we will attribute the funding to the appropriate apprenticeships budget.

85. If you record learning support against a learning aim in the ILR, you will earn a fixed monthly rate of £150. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of providing support to a learner exceeds the total earned from the fixed monthly rate, you can claim this excess through the [EAS](#).
86. If you plan to deliver the learning aim in less than one calendar month, you must claim the value of the learning support as if it were all excess, using the [EAS](#).
87. If learning support is more than £19,000, you can claim exceptional learning support using the [cost form](#); you do not claim this through the [EAS](#). For more information, refer to the [ESFA funded adult education budget funding rules](#).

Learner support

88. Learner Support is available to provide financial support for learners with a specific financial hardship preventing them from taking part or continuing in learning.
89. Learner Support is not formula-funded so you cannot claim it through the ILR. How you claim learner support depends on the contract type the learner requiring support is funded under:
- If the learner support relates to learning delivered under a grant funded contract, you must complete a mid-year funding forecast and a year-end and final funding claim to receive funding for learner support.
 - If the learner support relates to learning delivered under a procured AEB or traineeship contract, you must claim the support through the EAS.
90. For further information, please see the [EAS](#) and [Funding Claims guidance](#).

Prince's Trust Team Programme

91. We will continue to fund the Prince's Trust Team Programme at the same levels in the 2022 to 2023 funding year as in the funding year 2021 to 2022.
92. You will earn the matrix rates for the award or certificate in 'Employment, Teamwork and Community Skills'. The qualifications you can use are in table 3. You must also record the learners on the ILR using the Learning Delivery Monitoring (LDM) code 331.

Table 3: Qualifications for the Prince's Trust Team Programme 2022 to 2023.

Qualification Title	Learning Aim Reference
Certificate in Employment, Teamwork and Community Skills	60023995
Certificate in Employment, Teamwork and Community Skills (Entry 3)	60027629
Award in Employment, Teamwork and Community Skills	60032121
Award in Employment, Teamwork and Community Skills	60032868
Award in Employment, Teamwork and Community Skills (Entry 3)	60033344
Certificate in Employment, Teamwork and Community Skills	60027307

93. If the matrix rate is lower than the programme rate, you can claim additional funding from the qualification rate up to the value of the programme rate. To claim this additional funding, you must use the 'Prince's Trust' section on the [EAS](#).

94. Table 4 shows the matrix funding rates, the maximum programme rate and the maximum additional funding you can claim where appropriate:

Table 4: The rates for the Prince's Trust Team Programme 2022 to 2023.

	Award		Certificate	
	Fully-funded	Co-funded	Fully-funded	Co-funded
Matrix funding rate for aim	£450	£225	£1,265	£633
Maximum programme cost for				
...Unemployed learners	£2,670	£1,335	£2,670	£1,335
...Employed learners	£572	£286	£572	£286
Maximum additional funding for				
...Unemployed learners	£2,220	£1,110	£1,405	£702
...Employed learners	£122	£61	N/A	N/A

Procured ESFA-funded AEB provision

95. You must use the Learning Delivery Monitoring (LDM) code 379 for all learning aims delivered on the procured ESFA funded AEB contracts that started for delivery in August 2021. You cannot record learning delivery that started prior to August 2021 against these contracts. This LDM code distinguishes between the procured and the grant funded ESFA contracts so we can identify which contract will pay for it. Failure to record this code correctly may result in ILR errors or no payments.

96. To record learning delivered on procured traineeships you must use the Learning Delivery Monitoring (LDM) code 377 ('19-24 Traineeship (2020 procurement)') for all learning aims delivered on associated ESFA funded traineeships so we can identify which contract will pay for it.

97. The table below outlines the LDMs you should use to indicate which contract you wish to use to pay for different types of adult delivery and the times in the year these are valid from.

Type of Learning	Learning starting on or before 31 July 2021	Learning starting from 1 August 2021
Adult Traineeship delivered under a AEB Non-Procured contract	No LDM	
Adult Traineeship delivered under a procured Traineeship contract which started February 2021 or later	LDM 377 (Only eligible for starts from 1 February 2021)	
ESFA AEB Non-Procured	No LDM	
ESFA AEB Procured learning, starts from August 2021	Ineligible for starts	LDM 379
Procured Learner under Free Courses for Jobs	Ineligible for starts	LDM 378 & LDM 379
Non-Procured Learner under Free Courses for Jobs	LDM 378 (Only eligible for starts from 1 April 2021)	

Annex 1: Programme weightings by Sector Subject Area

We set programme weightings by the SSA, with some exceptions.

SSA	SSA Tier 2 description	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 wellbeing	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 and over)
6.2	ICT for users	A – Base (up to Level 1) B – Low (Level 2 and over)
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

SSA	SSA Tier 2 description	Likely programme weighting
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
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

The exceptions to this table are:

- 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 48)
- 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 2: 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

Annex 3: Earnings Boost

98. This section describes the "Earnings Boost" which we will apply after the end of the funding year to ESFA funded AEB provision.

Principles of how the earnings boost will operate

99. We will apply an earnings boost for formula-funded AEB learning aims.

100. The overall process, described in further detail below, is that we will:

- a) apply the normal processes for reconciliation and the threshold for over-delivery
- b) calculate an additional cash value using percentage uplifts for learning aims in scope (see paragraphs 104 to 107)
- c) offset some or all of the additional cash value from (b) against any reconciliation tolerance for under-delivery of grant-funded AEB (see paragraphs 112 to 113)
- d) reduce the additional cash value from (b) if there was over-delivery above the growth threshold (see paragraphs 108 to 109)
- e) pay you the resultant cash value as an earnings boost

101. We will not change your 2022 to 2023 funding allocation as a result of this process, nor will it be used to adjust 2023 to 2024 allocations.

102. In some cases, the earnings boost may result in a total payment which is above the normal growth threshold.

103. The application of the reconciliation tolerance means that grant funded providers who deliver between 97% and 100% can keep their full allocation. This gives grant funded providers an amount of funding unrelated to actual delivery. We will offset this reconciliation funding against the earnings boost cash value. See paragraph 112 onwards for more information.

Scope of the earnings boost

104. The boost will apply to formula-funded learning aims within your AEB budget. This boost to learning aim funding includes all monthly instalments (see paragraph 71), achievement payments and job outcome payments but excludes learning support. We will also apply the boost to Prince's Trust claims recorded in the Earnings Adjustment Statement (EAS).

105. The boost will not apply to:

- learning support funding (including excess learning support claimed through the EAS)
- learner support funding (including learner support claimed through the EAS)
- authorised claims that are claimed through the EAS
- community learning
- Traineeships
- Level 3 Free Courses for Jobs
- AEB funded by devolved authorities

106. As described in paragraph 64, some learners aged 23 or younger are eligible for additional funding from Free Courses for Jobs, but are funded through your procured or non-procured ESFA Adult Education Budget funding lines. As these learning aims already have increased funding, they will not attract further increases through this boost.

Calculation of uplifts

107. For all learning aims in scope, we will calculate an uplift of 2.2%. Then we will calculate a further 20% uplift for learning aims in the following Sector Subject Areas (SSAs). This will be on top of the 2.2% uplift, meaning these learning aims will attract an overall uplift of 22.64%, because $102.2\% \times 120\% = 122.64\%$. We refer to these as "high value SSAs" in the examples below:

- Mathematics and statistics (2.2)
- Engineering (4.1)
- Manufacturing technologies (4.2)
- Transportation operations and maintenance (4.3)
- Building and construction (5.2)
- ICT practitioners (6.1)

Adjustments to the calculation

108. We will scale down the earnings boost value if your total overall AEB actual delivery or final claim is already above the 110% maximum growth threshold (before we calculate reconciliation, growth limits and the earning boost).

109. We will scale down the earnings boost value using the ratio between your maximum growth threshold (the cash value representing 110% of your allocation), and your total actual delivery. For example, if you deliver 116% of your allocation, we will divide the initial uplift value by 116 and multiply it by 110 to calculate your earnings boost. In the "Earnings Boost Examples" section below, for example A6 we include a more detailed breakdown of how this calculation will work.
110. Where we adjust your year-end funding, for example because of recoveries from funding rules monitoring reports, we will apply those adjustments to your total delivery figure before we use the adjusted figure to calculate the earnings boost.
111. The earnings boost will apply to grant-funded and procured AEB, with differences in the process for grant-funded AEB, due to interactions with the reconciliation calculation.

Differences in the calculation for grant-funded AEB

112. As described in the [Adult education budget: funding and performance management rules 2022 to 2023](#), for grant-funded AEB we apply a 3% reconciliation tolerance. Where your delivery of ESFA funded AEB is at least 97% of your ESFA funded AEB allocation line, for the reconciliation process we will not make an end-of-year adjustment and you will not have to pay back any unspent funds.
113. Where we have applied the tolerance during reconciliation (for delivery in the range 97% to 100%), we will offset the earnings boost against the cash value of the tolerance. The earnings boost will only apply if the value of the earnings boost is greater than the value of the tolerance. In some cases, we may calculate a zero value for the earnings boost as a result. However, we will not subtract any funding because of this process.
114. For procured AEB there is no reconciliation tolerance for delivery in the range 97% to 100%, and we will not apply the adjustments described in this section.

How will I know what my earnings boost is?

115. For grant funded providers, we will add the earnings boost where relevant to your reconciliation statement, and include this alongside any adjustments for reconciliation.
116. For providers paid on actuals, we will pay this separately during December.

Earnings Boost Examples

117. Here are some examples showing the earnings boost values for different scenarios. In all examples below, the AEB allocation is £100,000. The first table represents grant-funded AEB, and the second table represents the same scenarios for procured AEB paid on actuals. There is an assumed value of non-formula-funded provision (and/or learning support) which is 5% of total delivery; this doesn't attract the boost.

Examples for grant-funded AEB

No.	Description	Claim total	Actuals: high value SSAs	Actuals: other formula-funded (excl. learning support)	Actuals: non-formula-funded and learning support	Cash value of tolerance	Value of 2.2% and 20% uplifts	Earnings Boost after offsetting against tolerance	Total payment (reconciliation plus boost)
G1	Below tolerance. Boost takes total into range 97%-100%	£95,000	£8,000	£82,250	£4,750	£0	£3,620.70	£3,620.70	£98,620.70
G2	Just below tolerance	£96,999	£20,000	£72,149	£4,850	£0	£6,115.28	£6,115.28	£103,114.28
G3	Just within tolerance	£97,000	£20,000	£72,150	£4,850	£3,000	£6,115.30	£3,115.30	£103,115.30
G4	Within tolerance; lower proportion in high value SSAs, so earnings boost outweighed by reconciliation tolerance	£97,500	£2,000	£90,625	£4,875	£2,500	£2,446.55	£0.00	£100,000.00
G5	At growth limit	£110,000	£20,000	£84,500	£5,500	£0	£6,387.00	£6,387.00	£116,387.00
G6	Above growth limit	£120,000	£20,000	£94,000	£6,000	£0	£6,046.33	£6,046.33	£116,046.33

Examples for procured AEB paid on actuals

No.	Description	Delivery Actuals	Actuals: high value SSAs	Actuals: other formula-funded (excl. learning support)	Actuals: non-formula-funded and learning support	Earnings Boost	Total payment (reconciliation plus boost)
A1	Below 97%. Boost takes total into range 97%-100%	£95,000	£8,000	£82,250	£4,750	£3,620.70	£98,620.70
A2	Just below 97%	£96,999	£20,000	£72,149	£4,850	£6,115.28	£103,114.28
A3	Just within 97% but no reconciliation tolerance due to being paid on actuals	£97,000	£20,000	£72,150	£4,850	£6,115.30	£103,115.30
A4	Within 97%-100%; lower proportion in high value SSAs	£97,500	£2,000	£90,625	£4,875	£2,446.55	£99,946.55
A5	At growth limit	£110,000	£20,000	£84,500	£5,500	£6,387.00	£116,387.00
A6	Above growth limit	£120,000	£20,000	£94,000	£6,000	£6,046.33	£116,046.33

To elaborate further on some of those scenarios:

Row G2: (provider with £20,000 in high value SSAs, paid by grant and just below the tolerance)

- a) The actual delivery value of £96,999 is just below the 97% tolerance, so the normal reconciliation process would recover funding down to that level. The £96,999 is split into 5% non-formula-funded-delivery (£4,850), £20,000 high value SSAs and £72,149 formula-funded.
- b) Without considering reconciliation, the learning aim funding would be boosted by:
 $(£20,000 \times 22.64\%) + (£72,149 \times 2.2\%) = £6,115.28$.
- c) Adding this amount to the original delivery (£96,999) gives £103,114.28. Because the reconciliation process did not increase the funding above the actual delivery value, the full amount of £6,115.28 is paid as additional funding from the earnings boost. The total payment amount is £103,114.28.

Row G3: (provider with £20,000 in high value SSAs, paid by grant and just within the tolerance)

- a) The actual delivery value of £97,000 is just within the 97% tolerance and this example is grant-funded so the normal reconciliation would allow the provider to keep the allocation of £100,000, with no clawback. The £97,000 is split into 5% non-formula-funded delivery (£4,850), £20,000 high value SSAs and £72,150 formula-funded.
- b) Without considering reconciliation, the learning aim funding would be boosted by:
 $(£20,000 \times 22.64\%) + (£72,150 \times 2.2\%) = £6,115.30$.
- c) Adding this amount to the original delivery (£97,000) gives £103,115.30. Before the boost calculation, we would have paid £100,000 as they were within the 97%, so the additional funding from the earnings boost is only £3,115.30 even though the value from calculated percentage uplifts was £6,115.30. The total payment amount is £103,115.30.

Row G4: (provider with £2,000 in high value SSAs, paid by grant and within the tolerance)

- a) The actual delivery value of £97,500 is within the 97% tolerance and this example is grant-funded so the normal reconciliation would allow the provider to keep the allocation of £100,000, with no clawback. The £97,500 is split into 5% non-formula-funded delivery (£4,875), £2,000 high value SSAs and £90,625 formula-funded.
- b) Without considering reconciliation, the learning aim funding would be boosted by:
 $(£2,000 \times 22.64\%) + (£90,625 \times 2.2\%) = £2,446.55$.
- c) Adding £2,446.55 would take the provider's funding to £99,946.55, however as this lies between 97% and 100% we continue to pay up to 100% as we would have done before the boost calculation— therefore the provider receives no further funding.

Row A4 (as per row G4 but paid on actuals)

- a) Very similar to row G4 above, but this provider is paid on actuals and therefore the 97% tolerance does not apply. This provider is paid £99,946.55.

Row A6 (provider above the growth threshold - note row G6 is identical)

- a) Value of £120,000 is above 110% growth threshold, and the normal capping would mean we would only pay £110,000.
- b) Before considering capping, the learning aim funding would be boosted by: $(£20,000 \times 22.64\%) + (£94,000 \times 2.2\%) = £6,596.00$.

- c) This amount is then scaled down by the ratio of the capped value to the total delivery i.e., $\text{£}110,000 / \text{£}120,000 = 11/12$.
- d) The earnings boost is $\text{£}6,596 * 11/12 = \text{£}6,046.33$.
- e) This is added to the capped value of $\text{£}110,000$ to give total funding of $\text{£}116,046.33$.
- f) This scenario ends up with less funding than row A5 despite all the actuals values being equal or higher. This is because the $\text{£}20,000$ in high value SSA provision in row A6 is less as a proportion of the total, and is then scaled down. This rewards providers with a higher proportion of high value SSA provision.



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