

## **SCHEDULE 1: SPECIFICATION & MONITORING**

### **ESFA ADULT EDUCATION BUDGET (GRANTS) SPECIFICATION**

#### **Definitions**

<b>“Adult education budget”</b>	means the ESFA Adult Education Budget (“AEB”) which combines all 19+ ESFA participation and support funding that is not advanced learner loans or apprenticeships.
<b>“Adult sub-contracting”</b>	Means <a href="https://www.gov.uk/guidance/subcontracting-using-funding-to-offer-education-and-training">Subcontracting: using funding to offer education and training - GOV.UK (www.gov.uk)</a>
<b>“Agreement Allocation”</b>	Means the value of Funding allocated to the «ProviderTerm» under this Agreement and as set out in the Funding Agreement contained in Schedule 2 (Payments).
<b>“Community Learning”</b>	Means Provision to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to: progress towards formal learning or employment and/or improve their health and well-being, including mental health and/or develop stronger communities.
<b>“ESFA AEB Funding &amp; Performance Management Rules”</b>	Means <a href="https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2023-to-2024">Adult education budget (AEB) funding rules 2023 to 2024 - GOV.UK (www.gov.uk)</a>
<b>“ESFA AEB Rates and Formula”</b>	Means <a href="https://www.gov.uk/guidance/esfa-funding-rules-rates-and-formula">ESFA: funding rules, rates and formula - GOV.UK (www.gov.uk)</a>
<b>“ESFA Funding Claims &amp; Reconciliation Guidance”</b>	Means <a href="https://www.gov.uk/guidance/esfa-funding-claims-and-reconciliation">ESFA funding claims and reconciliation - GOV.UK (www.gov.uk)</a>

<p><b>“Exceptional Learning Support”</b></p>	<p>Means</p> <p>Learning support funding to meet the costs of putting in place a reasonable adjustment for a Learner who requires more than £19,000 in a Funding Year.</p> <p>The «ProviderTerm» must submit a claim form for Exceptional Learning Support as detailed at <a href="http://www.gov.uk">Exceptional learning support - cost form - GOV.UK (www.gov.uk)</a></p>
<p><b>“Find a learning aim”</b></p>	<p>Means</p> <p><a href="http://fasst.org.uk">Find a learning aim (fasst.org.uk)</a></p>
<p><b>“Free courses for jobs”</b></p>	<p>Means</p> <p><a href="http://www.gov.uk">Free courses for jobs - GOV.UK (www.gov.uk)</a></p>
<p><b>“Innovative Provision”</b></p>	<p>Means</p> <p>A new flexibility that enables eligible providers to earn up to 3% of their ESFA AEB allocation on the development of innovative provision. The purpose of this flexibility is to encourage local innovation and to support eligible providers to be able to develop new provision, in partnership with local employers and others.</p>
<p><b>“Learning Support”</b></p>	<p>Means</p> <p>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.</p>
<p><b>“Local Skills Improvement Plan”</b></p>	<p>Means</p> <p><a href="http://www.gov.uk">Designated employer representative bodies - GOV.UK (www.gov.uk)</a> (further information will be provided via this link in due course)</p>
<p><b>“matrix Standard”</b></p>	<p>Means</p> <p><a href="#">The matrix Standard   Business Accreditation Standard</a></p>
<p><b>“Provision”</b></p>	<p>Means general, technical, and non-regulated learning as defined in the ESFA AEB Funding &amp; Performance Management Rules and associated documents.</p>
<p><b>“Qualifications”</b></p>	<p>Means either those from the Regulated Qualifications Framework (“RQF”) or an Access to Higher Education Diploma recognised and regulated by the Quality Assurance Agency (“QAA”).</p>

## Summary of Service

1. The Service will support people aged 19 and over to undertake general, technical, and/or non-regulated learning with the aim to engage adults and provide the skills and learning they need to equip them for work, an Apprenticeship or other learning.
2. ESFA AEB supports delivery of:
  - a. three legal entitlements to full funding for eligible Learners:
    - i. English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A\* - C or grade 4, or higher; and/or
    - ii. first full Qualification at level 2 for individuals aged 19 to 23; and/or
    - iii. first full Qualification at level 3 for individuals aged 19 to 23.
  - b. Level 3 Free Courses for Jobs Offer;
  - c. flexible tailored Provision for adults, including Qualifications and components of these and/or non-regulated learning, up to level 2 (known as 'Local Flexibility');
  - d. continuing traineeships for 19-24-year-olds (for the avoidance of doubt, no new Learners should be recruited onto these services);
  - e. Sector-based Work Academies;
  - f. non-formula Community Learning, specifically under the delivery strands prescribed in the ESFA AEB Funding & Performance Management Rules;
  - g. Innovative Provision;
  - h. Prince's Trust Team Programme;
  - i. support funding.
3. ESFA AEB does not support Provision that is ESF, advanced learner loans, Apprenticeships, or apply to individuals who are resident in a devolved authority area unless they meet the criteria set out in the ESFA AEB Funding & Performance Management Rules.
4. Funding is for the 2023 to 2024 Funding Year.
5. The legal basis for this Service is Section 100(1) Apprenticeships, Skills, Children, and Learning Act 2009.

## **Service Commencement and Duration**

6. ESFA AEB Services Start Date: 1<sup>st</sup> August 2023.
7. ESFA AEB Expiry Date: 31<sup>st</sup> October 2024 (for final data submission).

## **Service Requirements**

### Recruitment

8. The «ProviderTerm» shall recruit eligible Learners onto this service from the Services Start Date until 31<sup>st</sup> July 2024.
9. The recruitment will comply with the ESFA AEB Funding & Performance Management Rules.
10. Subject to budget availability funding for Learners that were taken on or before 31<sup>st</sup> July 2024 but with a planned end date after 31<sup>st</sup> July 2024 will be made available in a subsequent agreement.

### Outputs

11. The «ProviderTerm» will deliver the eligible Provision from the Find a learning aim as set out in the ESFA AEB Funding & Performance Management Rules and to the requirements set by the Awarding Organisations between 1<sup>st</sup> August 2023 and 31<sup>st</sup> July 2024.
12. The «ProviderTerm» will take steps to ensure as many Learners as possible achieve their Qualification. The Department will monitor the achievement rate.
13. The «ProviderTerm» will take steps to ensure they use the allocated Funding in the Funding Year.
14. The «ProviderTerm» will maintain evidence of the delivery of the Service as set out in the ESFA AEB Funding & Performance Management Rules.
15. The «ProviderTerm» must comply with the requirements regarding ESF match funding as set out in the ESFA AEB Funding & Performance Management Rules, Paragraphs 81-85.
16. Documents to evidence ESFA AEB delivery used for ESF match funding must be retained by the «ProviderTerm» for a minimum of three years after the European Commission has made its final payment. For the 2014-20 ESF Programme this is until at least 31<sup>st</sup> December 2034.
17. Confirmation of the ESF document destroy date will be notified in writing by the Department. Without prejudice to any of the other rights under the Agreement to recover funds, the Department will be entitled to recover from the «ProviderTerm» any sums which it is required to repay to the ESF as a

result of the «ProviderTerm»'s failure to comply with Paragraph 15 and 16 in this Schedule.

18. The «ProviderTerm» must provide high quality and easily accessible information and advice in helping individuals to understand the opportunities and support available to them about education, training or connected matters (including employment);
  - a. Where one of the main objectives of the Provision to be provided under this Agreement is to deliver information and advice, the «ProviderTerm» will have to have or attain the matrix Standard accreditation within the Funding Year; and
  - b. If the information and advice is embedded as part of the delivery of the Provision the «ProviderTerm» must work towards achieving the matrix Standard accreditation within the Funding Year.
  - c. Where the Provision is delivered by a Sub-Contractor on behalf of the «ProviderTerm», the requirements set out in sub-paragraphs 18.a and 18.b must be applied to the Sub-Contractor. This does not apply where the «ProviderTerm» retains responsibility for the delivery of information and advice to the Learners.
  - d. Once achieved, matrix Standard accreditation is valid for three years. The «ProviderTerm» must continue to demonstrate their continuous improvement via annual continuous improvement checks with the matrix Standard assessor.
19. The «ProviderTerm» will put in place reasonable adjustments to support eligible Learners with identified learning difficulties and/or disabilities by using Learning Support and Exceptional Learning Support where applicable, as set out in the ESFA AEB Funding Rules.
20. Where there is an approved Local Skills Improvement Plan for the specified area, the «ProviderTerm» must have regard to that plan when making decisions about English-funded post-16 technical education or training.
21. In delivering the Provision, the «ProviderTerm» will comply with the ESFA AEB Funding & Performance Management Rules.
22. The «ProviderTerm» must deliver the ESFA AEB Provision in England only.
23. The «ProviderTerm» will deliver the Service in a way that ensures:
  - a. Value for money;
  - b. The protection of public funds;
  - c. The effective delivery of a high-quality service for Learners appropriate to their needs; and
  - d. Meets the public benefit test.

## ESFA AEB Provision Administration

24. Where the Service is continued from the 2022 to 2023 Funding Year, the «ProviderTerm» must migrate data for continuing Learners from the 2022 to 2023 ILR to the 2023 to 2024 ILR. The «ProviderTerm» must submit this data in the first ILR data return for 2023 to 2024, as set out in Appendix B – Migration Specification of the ILR specification 2023 to 2024.
25. The «ProviderTerm» will submit Learner data to the Department to comply with Clause 21, Submission of Learner Data.
26. The «ProviderTerm» must complete the Learner's qualification on or before the planned end date in the data submitted in the ILR. Where the «ProviderTerm» misses this date, the Department may consider this a breach of the Agreement.
27. The «ProviderTerm» shall submit funding claims in line with Schedule 1B, Adult Education Budget (Grant) Monitoring.
28. The «ProviderTerm» must keep the Department informed of any changes to their bank details.

### **The Department**

29. The Department will pay for the Provision as set out in Schedule 2, ESFA Adult Education Budget Payments (Grants).
30. The Department will pay for Exceptional Learning Support as set out in Schedule 2, ESFA Adult Education Budget Payments (Grants).
31. The Department will monitor the Provision as set out in Schedule 1B, ESFA Adult Education Budget (Grants) Monitoring.
32. The Department reserves the right in its absolute discretion to reduce the funding for this Learning Programme:
  - a. where the Department identifies that the «ProviderTerm» is failing to deliver the value of learning of this Agreement; and/or
  - b. If found to be not delivering the prior year's Service adequately when it is reported.

## **SCHEDULE 1B: MONITORING**

### **ESFA ADULT EDUCATION BUDGET MONITORING (GRANTS)**

#### **Monitoring of ILR Submission**

1. The Department will monitor and review the data submitted under Clause 21, Submission of Learner Data of this Agreement to ensure that payments are made in accordance with the requirements set out in “Financial Assurance: Monitoring the Funding Rules for apprenticeships and adult skills”.
2. The Department will publish monitoring reports via [View your education data](#). The «ProviderTerm» must access the monitoring reports every month and amend any errors for the next submission by taking the actions specified in the report user guide. Failure to amend the data as required will constitute a breach of Agreement in accordance with Clause 34 of the Agreement.
3. If served with notice of a breach, the «ProviderTerm» must correct data or supply the Department with evidence within the period specified in the notice. This evidence can include digital copies of documents such as Learner Files, commitment statements or employer declarations. Annotated spreadsheets or notes are not acceptable as evidence.
4. Where data is incorrect in the final data submission of the Funding Year the Department will recover the payments associated with the incorrect data.

#### **ESFA Adult Education Budget Performance Management**

5. At the performance management points set out in the ESFA AEB Funding & Performance Management Rules, the Department may invite «ProviderTerm»s to submit requests for increases to its Funding. The Department will award growth in-line with the criteria set out in the ESFA AEB Funding & Performance Management Rules.

#### **ESFA Adult Education Budget Reconciliation**

6. The Department will reconcile the «ProviderTerm»’s earnings against the payments made. The reconciliation will be to the timetable set out in the ESFA AEB Funding & Performance Management Rules and will follow the process in the ESFA Funding Claims & Reconciliation Guidance. The Department will calculate the earnings using the formula set out in the AEB Rates & Formula.
7. Failure to submit an in-year forecast or final claim to the published timescales will constitute breach of this Agreement and any reconciliation will be at the Department’s discretion.

8. Where the «ProviderTerm»'s actual delivery in the final claim, as against the Agreement Allocation, will result or has already resulted in an overpayment by the Department to the «ProviderTerm», the Department will deduct the amount owed over the remainder of the Financial Year as defined in Clause 26.1.5 and may offset the overpayment against other payments being made to the «ProviderTerm». Where the overpayment cannot be recovered from future payments within the Financial Year, the Department will invoice the «ProviderTerm» for the remaining debt and the «ProviderTerm» will pay the invoice within 30 days.
9. Where the «ProviderTerm»'s actual delivery in the final claim, has exceeded the Agreement Allocation, the «ProviderTerm» does so at their own risk. The Department may pay for the over-delivery, subject to budget availability and funding policy at the time.
10. Should there be an under or over payment to the «ProviderTerm», the Department will consider the underlying causes for that, in accordance with the ESFA AEB Funding & Performance Management Rules and, may at its absolute discretion require a variation to amend the Agreement Allocation in the current or future years.
11. Where either the forecast in-year programme delivery, or the reconciled programme delivery from the prior year, is below 80% of the Agreement Allocation, the Department, will review the performance of the Agreement, and will, at its own discretion, reduce the Agreement Allocation in the Agreement down in line with the forecasts and reconciliation.
12. For the purposes of this process, the mid-year claim reconciliation constitutes a debt for the purposes of Clause 26.1.5 of the Agreement.



## **SCHEDULE 2: PAYMENT**

### **ESFA ADULT EDUCATION BUDGET (GRANT)**

#### **Adult Education Budget**

1. The Department will pay the «ProviderTerm» the Funding set out in the Funding Agreement of this Schedule on or before the 20<sup>th</sup> of the month.
2. Under Item 5A to Group 6 of Schedule 9 of the VAT Act 1994, the supply of education or vocational training funded by the Department and the supply by the person providing that education or vocational training, of any goods or services essential to that provision, is considered to be an exempt supply for VAT purposes. The Department is generally unable to recover any Value Added Tax charged. The maximum Funding payable under this Agreement, as set out in the Funding Agreement of this Schedule is inclusive of all of the costs of the Services including, but not limited to, any other VAT or taxes to be charged, where they apply.

#### **Adult Exceptional Learning Support**

3. The «ProviderTerm» must submit a planned claim for Exceptional Learning Support at the start of the Funding Year in line with the process and eligibility set out in the ESFA AEB Funding & Performance Management Rules. The «ProviderTerm» must not incur costs until the planned claim for support has been approved by the Department.
4. The Department will only fund planned claims agreed before the end of the Funding Year, 31<sup>st</sup> July 2024.
5. The Department will only pay final claims that meet the eligibility requirements in the ESFA AEB Funding & Performance Management Rules and are received by the Department before the claim deadline of October 2024 (refer to the latest version of How to Submit a Funding Claim for the final submission date).
6. The Department will pay final claims in December 2024.

#### **Funding Agreement**

7. The following Funding Agreement sets out the Funding available for this Service.