



Investigation Outcome Report

Provider: LionHeart in the Community Limited

Background

In September 2024, the Education & Skills Funding Agency (ESFA) commenced an investigation into concerns relating to advanced learner loans funding claimed by and paid to Lionheart in the Community Limited (“the provider”).

The concerns related to discrepancies in the accuracy of delivery post codes and area cost uplift payments claimed for ineligible delivery. Area cost uplift is paid to providers from the loan bursary fund and reflects the higher cost of delivering provision in some parts of the country. Online delivery does not attract area cost uplift payments.

The Education and Skills Funding Agency became part of the Department for Education in April 2025.

Outcomes of the investigation

The investigation found that:

- The provider claimed area cost uplift for online delivery.
- The provider subcontracted advanced learner loans provisions, which is not permitted by the funding rules.

The following breaches of the funding rules were identified:

Framework	Breach	Issue
Advanced learner loans funding rules 2021- 2022 v1,2,3 and 2023- 2024	P107 – 110 for 21-22 rules Section 17.7. for 23-24 rules	Learners sampled with a home post code of more than fifty miles from the delivery location stated that the delivery took place remotely/online. Online delivery does not attract area cost uplift payments.

Framework	Breach	Issue
Advanced learner loans funding rules 2023- 2024	Section 7.	The provider subcontracted loans provision, which is not permitted. This was evidenced in a learner survey in which learners named another provider as having delivered the training.

Action

Corrective action has been taken by the provider:

- The Department for Education (DfE) identified an overpayment of £111,234.64 paid across three academic years. Action is underway to recover that funding.

Prevention

Upon the conclusion of the investigation, the DfE undertook a prevention analysis exercise to establish what could have been done to prevent the breaches that were identified in the investigation.

Issue	Prevention
Area cost uplift claimed for ineligible delivery.	<p>Providers should comply with advanced learner loans funding rules around area uplift cost.</p> <p>Providers should ensure they have adequate internal audit / quality assurance functions to identify errors.</p>
The subcontracting of advanced learner loans	<p>Providers must comply with advanced learner loans funding rules by not subcontracting advanced learner loans provision.</p> <p>Providers should ensure they have adequate internal audit / quality assurance functions to identify non-compliant delivery.</p>