



Education & Skills
Funding Agency

Career learning pilot technical guidance 2018 to 2019

Version 1

This document sets out how funding for the pilot will be recorded and calculated in 2018 to 2019.

May 2018

Of interest to colleges, training organisations and employers.

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Introduction and purpose of this document

1. This document sets out the principles and features of our funding system for the career learning pilot ('pilot') for the 2018 to 2019 funding year (1 August 2018 to 31 July 2019). We may make changes to these principles and features during the funding year although we do not expect to.
2. This document describes how we calculate 'formula-funded' earnings for the subsidy and learning support for the pilot.
3. This document only includes learners funded as part of the pilot. For more information on Advanced Learner Loan learners not funded as part of the pilot, refer to the [Advanced Learner Loans funding and performance management rules](#).
4. To understand how the pilot funding system works, read this document together with the following:
 - [Advanced learner loans funding rules 2018 to 2019](#)
 - [ILR specification 2018 to 2019](#)
 - [Maximum loan amounts for advanced learner loans designated qualifications 2018 to 2019](#)
 - deed of variation to advanced learner loan facility and loans bursary fund agreement

Understanding the terminology

5. The terms 'we' and 'ESFA' refer to the 'Education and Skills Funding Agency' and associated staff.
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.

The data we use to calculate funding

7. You give us information about learners and their learning using the [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.

8. As set out in your deed of variation, you must record all eligible qualifications delivered under this pilot on the ILR using the Learning Delivery Monitoring code 359 ('Career learning pilot').
 9. You must record 'formula-funded' activity for this pilot under two funding models in the Individualised Learner Record (ILR):
 - If the learner is partly funding their learning through an Advanced Learner loan then you must record the qualification as a loan learner. As described in the existing ILR guidance, you must use Funding model 99 ('Non-funded (No ESFA funding for this learning aim') and the Learning Delivery Funding and Monitoring Type 'ADL' ('Advanced Learner Loans indicator') must be recorded with an associated Learning Delivery Funding and Monitoring Code of '1'
 - If the learner does not need, or wish, to take out a loan, we refer to them as a non-loan learner. These learners may be undertaking a qualification with:
 - i. a subsidy level of 100% ('fully-funded')
 - ii. a subsidy level of 25% or 75% but may not have a loan as they may choose to fund the balance of the fee themselves or by any other means.
- You must record the learning aim for non-loan learners through Funding model 81 ('Other Adult').

Funding formula

Principle

10. The funding formula is:

Funding = maximum loan amount ('rate') x subsidy percentage for the individual qualification in each area

You may also receive, in the usual way, funding directly from the SLC if the learner has taken out an advanced learner loan for the qualification.

Funding rates

11. Our rates do not change depending on how you deliver the learning (for example, by delivering it on-line compared to in the classroom).

12. The list of regulated qualifications eligible for public funding are on the learning aims search on [the Hub](#), and are those agreed by each individual area of the pilot. You can only deliver the qualifications set out in your deed of variation, which is a subset of these qualifications. The subsidy percentage is recorded in the LARS_CareerLearningPilot table in the downloadable database available on [the Hub](#), however it is not available on the aims search.
13. We will fund the agreed subsidy percentage of the maximum loans qualification value for each learning aim using the maximum loan amount that applies when the learner starts that learning aim. These rates will apply for the full duration of the learning aim.

Earnings method

Distribution of funding over time

14. We will make payments each month in arrears for the duration of the learning, as long as the learner stays in learning.
15. We distribute funding over the duration of the learner's qualification. You will earn monthly instalments as long as the learner stays in learning. There is no achievement element.
16. We spread these instalments equally over the number of planned months for the aim, based on whether the learner is in learning on each liability date (the first calendar day of every month). The planned number of months is calculated from the 'Learning start date' and the 'Learning planned end date' recorded in the ILR.
17. If the learner leaves early, the monthly instalments stop. If the learner achieves early, then you will earn all the remaining monthly instalments in the month they complete.

Qualifying period for funding

18. 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', and is 14 days for all learning aims under this pilot. This matches the liability dates used by the Student Loans Company for Advanced learner loans.

19. If the learner leaves before the qualifying period, you will not earn any funding. However, we will reclaim the funding if you have already earned funding before recording the ILR 'Learning Actual End Date'.

Recognition of prior learning and other funding adjustments

20. If you record data in the 'Funding adjustment for prior learning' or the 'Other funding adjustment' fields on the ILR, we change the funding formula to reflect this. If you use this field, we will reduce the subsidy amount accordingly. However, this will not change learning support or learner support funding.

21. 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.

Delivery location eligibility check

22. We will check to make sure the delivery location postcode (based upon the 'Delivery location postcode' ILR field) is part of one of the eligible areas of the pilot.

23. We will match this postcode to the areas using the Office for National Statistics (ONS) postcode files. We intend to use the data which we expect the ONS to publish in May 2018 to determine the initial list of eligible postcodes. Where postcode mappings change in subsequent data sets published by the ONS up to July 2019 we will:

- a. add a postcode to the eligible list if the latest ONS data suggests it should be included
- b. not remove a postcode from the eligible list if we have previously added it, but later ONS data suggests it was included incorrectly.

We reserve the right to correct errors in the published lists, in which case we may not follow the processes above.

24. The eligible areas for the pilot are:

- a. Greater Lincolnshire LEP
- b. Heart of the South West LEP
- c. Leeds City Region LEP
- d. Stoke on Trent and Staffordshire LEP
- e. West Midlands LEPS:
 - i. Greater Birmingham and Solihull
 - ii. Coventry and Warwickshire
 - iii. Black Country

25. We will not generate any earnings where we map the postcode to an area that is not in the pilot. We will make this clear in the reports we make available to you.

Support funding for providers funded through a grant

26. You can use your 2018 to 2019 loans bursary allocation for all eligible learners included in the pilot. If additional funds are required, you can apply for them as part of the loans growth process. For more information on eligibility, refer to the [Advanced learner loans funding rules](#).

27. You can claim learner support funding through your learner support budget. If the learner requires learner support, you should also record the category of learner support in the Learner Funding and monitoring fields using FAM type LSR (Learner support reason), but this does not generate funding.

28. You can claim learning support by recording Learning Delivery Funding and Monitoring Type of 'ALB' with a Learning Delivery Funding and Monitoring Code of '2'.

29. If you record code ALB2 (as in the previous paragraph) against a learner's 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.

30. 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.

31. If learning support is more than £19,000, you can claim exceptional learning Support using the EAS. For more information, refer to the [Advanced learner loans funding rules](#).

Support funding for providers funded through a contract or a loans facility

32. You can use your 2018 to 2019 loans bursary allocation for all eligible learners included in the pilot. If additional funds are required, you can apply for them as part of the loans growth process. For more information on eligibility, refer to the [Advanced learner loans funding rules](#).

33. You can claim learner support and learning support from the loans bursary by recording Learning Delivery Funding and Monitoring Type of 'ALB' with a Learning Delivery Funding and Monitoring Code of '1', '2' or '3' representing the level of learning and learner support as follows:

- 1) code 1 - low-cost learner support, not including childcare and residential. (£50 per month)
- 2) code 2 - learning support, recognising the learner could have learner support needs as well. (£150 per month)
- 3) code 3 - residential or childcare support, recognising the learner could have other learning support or learner support needs as well. (£250 per month)

34. 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.

35. If the learner requires learner support, and has been recorded with funding model 81 because they do not have a loan, you should also record the category of learner support in the Learner Funding and monitoring fields using FAM type LSR (Learner support reason), but this does not generate funding.

36. For more information, refer to the [Advanced learner loans funding rules](#).

Reporting

37. When you submit your ILR, we will produce a report for you that provides the key information for you to manage and understand your funding. We will include this report with your usual funding reports in the zip file on the Hub.

38. This report will contain key information such as:

- a. The maximum loan amount of the qualification
- b. The subsidy percentage we have used
- c. The area we identify the delivery took place
- d. The amount of funding earned each month, including support funding.

Further Information

39. If you need more information you can phone the service desk on 0370 267 0001 or email sde.servicedesk@education.gov.uk.

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