Education & Skills Funding Agency

Guidance

# How to submit a funding claim for 2019 to 2020

Updated 23 October 2020

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Coronavirus (COVID-19) context in relation to the 2019 to 2020 funding year

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## Coronavirus (COVID-19) context in relation to the 2019 to 2020 funding year

We produced our original March guidance quickly to respond to the developing crisis, however it may not have operated fairly across all providers. It remains our intention to flexibly fund grant providers, recognising the unprecedented impact on delivery that the COVID-19 restrictions have had and meaning that normal operating models and grant reporting were not appropriate. We want to ensure a stable financial footing for the FE sector going into the next funding year, whilst also ensuring the appropriate use of public funds.

The further education (FE) COVID-19 guidance in March 2020 said that we would not reconcile providers, with the exception of those that were forecasting significant under delivery at mid-year claims. However, while it remains our intent not to reconcile, this approach for identifying exceptions cannot be implemented fairly. To identify the exceptions, we have lowered the threshold for funding recovery in line with the reduced average delivery across providers during this exceptional funding year and introduced a supporting business case process to ensure that we consider challenges faced, including the impact on vulnerable learners and the process does not have adverse outcomes. We will consider recovering some funding from providers that are delivering significantly below other grant providers, but those providers will have the opportunity to submit a business case to retain funding. The stability of the FE sector is our priority.

We have calculated the exceptions thresholds used for the Adult Education Budget (AEB), Traineeships and Advanced Learner Loans Bursary (ALLB) from a forecast based on 2019 to 2020 R12 data submissions. Where a provider is statistically outside of this forecast normal delivery range for the sector by one standard deviation at R14, we will consider that to be significant under delivery and will therefore be considered for reconciliation and a business case.

> We still require a final funding claim from all providers for us to be able to account for the level of support given during the COVID-19 period.

Where providers have surplus grant funding they must ensure that this funding is used for adult skills in line with the scope of the grant.

The flexibilities in this guidance are to support providers through the related delivery and reporting challenges in the 2019 to 2020 funding year and will not be carried forward into future funding years.

# 1. Introduction

This document informs colleges and training providers of the funding streams they are required to submit a final funding claim for, how to make a claim and the dates for submitting a final funding claim for the 2019 to 2020 funding year. This is a contractual requirement for funding streams listed below.

Alongside this information you should read:

ESFA funded adult education budget (AEB): funding and performance management rules 2019 to 2020

Advanced learner loans funding and performance management rules: 2019 to 2020

Advice: funding regulations for post-16 provision 2019 to 2020

Colleges and independent learning providers must submit a funding claim for:

- ESFA AEB – Adult Skills and Community Learning – grant-funded
- ESFA AEB - 19 to 24 Traineeships (procured)
- Advanced Learner Loans Bursary (ALLB) – grant-funded
- ESFA AEB – Adult Skills Learner Support – paid-on-profile (AEB procured)
- 16 to 19 Education

# 2. Deadlines for submitting the final claim

| Funding claim | Deadline to provide individualised learner records (ILR) | Claim form available on Submit Learner Data | Deadline to submit funding claim | Deadline to sign funding claim |
|---|---|---|---|---|
| **Final claim** | 22 October 2020 | 26 October 2020 | 3 November 2020 | 4 November 2020 |

# 3. Where to complete and submit a claim

You must complete and submit your funding claim in the data collections area on Submit Learner Data.

The final funding claim form is open one working day after the close of R14 ILR submission and earnings adjustment statement (EAS) submission period.

# 4. Completing a claim

## 4.1 ESFA funded AEB (non-procured) funding claims

Your AEB funding claim will show relevant sections for you to complete from the following:

- ESFA AEB 19 to 24 Traineeships – programme funding
- ESFA AEB 19 to 24 Traineeships – learning support
- ESFA AEB 19 to 24 Traineeships – learner support
- ESFA AEB 19 to 24 Traineeships – administration expenditure
- ESFA AEB Adult Skills – programme funding
- ESFA AEB Adult Skills – learning support
- ESFA AEB Learner Support – 19+ hardship
- ESFA AEB Learner Support – 20+ childcare
- ESFA AEB Learner Support – residential access funding
- ESFA AEB Learner Support – administration expenditure
- ESFA AEB Adult Skills of which Community Learning

Note: 19 to 24 traineeship is a ring fenced allocation and reconciled separately.

In your final funding claim, you only need to agree the figures, as we will use your ILR and EAS to pull through your actual delivery figures. You will still need to enter figures for non-formula funded deliverable lines.

For all non-formula funded deliverable lines, for example, community learning, you will need to enter a figure from your own records. Please note you will be required to keep evidence for claiming this and we may request this evidence to substantiate your claim.

The 'exceptional adjustments' column can only be used to make changes to your actual delivery by exception for relevant deliverables that you were not able to submit from your ILR and EAS returns. Please note you will be required to keep evidence for claiming this and we may request this evidence to substantiate your claim. This should be agreed with your territorial team contact.

As set out in paragraph 224 of ESFA funded adult education budget (AEB): funding and performance management rules 2019 to 2020 you must not claim more than 5% of your total Learner Support (including for 19 to 24 traineeships) claim as administration expenditure.

## 4.2 ESFA AEB (non-procured) final reconciliation

If your performance is between 68% and 99.9% then we will not reconcile your allocation.

Where performance is below 97%, you will be required to confirm through a declaration in the claim process, that you sought to continue to deliver within the COVID-19 period and maintained your sub-contracting relationships.

If your performance is less than 68% of your allocation, then we will consider reconciling any under delivery up to 68%. For example, if your performance is 60% then we will consider recovering 8% of your allocation. If you feel that there were extenuating circumstances for your under delivery due to the COVID-19 lockdown, or that the funding you will retain is less than the costs of your delivery, then you will be able to submit a business case. We will assess your business case and if we approve this, then we will adjust your claim accordingly.

## Community Learning

For ESFA non-formula funded community learning, your claim should include your fixed costs for maintaining your delivery infrastructure during the COVID-19 period where these costs cannot be attributed to the delivery to specific learners. This may include costs for unfurloughed staff and costs you were obliged to pay to subcontractors. You must maintain the evidence to support this claim for audit. Any over delivery for Community Learning against your Community Learning allocation will be included within your final delivery percentage.

This flexibility will not be carried forward to the 2020 to 2021 funding year.

## 4.3 19 to 24 Traineeship final claim reconciliation

If your performance is between 11% and 99.9% then we will not reconcile your allocation.

Where performance is below 97%, you will be required to confirm through a declaration in the claim process, that you sought to continue to deliver within the COVID-19 period and maintained your sub-contracting relationships.

If your performance is less than 11% then we will consider reconciling any under delivery up to 11%. For example, if your performance is 5% then we will consider recovering 6% of your allocation. If you feel that there were extenuating circumstances for your under delivery due to the COVID-19 lockdown, or that the funding you will retain is less than the costs of your delivery, then you will be able to submit a business case. We will assess your business case and if we approve this, then your claim will be adjusted accordingly.

## 4.4 Learner Support (procured AEB) final funding claim

Your learner support funding claim will show relevant sections for you to complete from the following:

- ESFA AEB Adult Skills - 19+ hardship
- ESFA AEB Adult Skills - 20+ childcare
- ESFA AEB Adult Skills - Residential Access Fund
- ESFA AEB Adult Skills - Administration Expenditure
- ESFA AEB 19 to 24 Traineeships – Learner Support
- ESFA AEB 19 to 24 Traineeships – Administration Expenditure

As set out in paragraph 224 of ESFA funded adult education budget (AEB): funding and performance management rules 2019 to 2020 you must not claim more than 5% of your Adult Skills Learner Support and 19-24 Traineeships – Learner Support claim as administration expenditure.

## 4.5 ALLB funding claims

For those providers that are paid on profile for their ALLB allocation they will be required to complete a funding claim. Your ALLB funding claim will show relevant sections for you to complete from the following:

- bursary funding
- hardship
- childcare
- residential access fund
- area costs
- excess claims
- administration expenditure

As set out in paragraph 89 of Advanced learner loans funding and performance management rules: 2019 to 2020 you can claim up to 5% of your loans bursary expenditure for learner support activities (hardship, childcare and residential access fund) on administration expenditure.

If your performance is between 30% and 99.9% then we will not reconcile your allocation.

Where performance is below 100% you will be required to confirm through a declaration in the claim process that you sought to continue to deliver within the COVID-19 period and maintained your sub-contracting relationships.

If your performance is less than 30% then we will consider reconciling any under deliver up to 30%. For example, if your performance is 25% then we will consider recovering 5% of your allocation. If you feel that there were extenuating circumstances for your under delivery due to the COVID-19 lockdown, or that the funding you will retain is less than the costs of your delivery, then you will be able to submit a business case. We will assess your business case and if we approve this, then we will adjust your claim accordingly.

### 4.6 16 to 19 Education claims

If you have a 16 to 19 Education allocation you must submit a final funding claim.

Your 16 to 19 Education claim will show relevant sections for you to complete from the following:

- 14 to 16 Direct Funded Students (Row A)
- 16 to 19 High Needs Students (including High Needs Students) (Row B)
- 19 to 24 Students with an EHC plan (Row C)
- 19+ Continuing Students (excluding EHC plan) (Row D)

## 5. Relevant to final funding claim

You will have 7 working days after the claim opens to submit your funding claim. We will populate the actual delivery-to-date figures using the validated

ILR and EAS data you have submitted where applicable. You will not be able to amend this data.

For any non-formula funded activity, you will be able to enter your actual figures for relevant deliverable lines from your own records.

If applicable you will be required to tick an additional declaration stating, you attempted to continue delivering as a result of being impacted by COVID-19.

We will publish a user guide document giving further information on how to submit your funding claim.

If you do not record any expenditure against any of the above reconciled funding streams (AEB, 19 to 24 Traineeships and ALLB) we will recover the full allocation.

If you do not submit a required funding claim in accordance with the dates above then we will issue a minor breach notice, as this is a contractual requirement.

# 6. When to sign a claim

Final funding claims must be signed in the Manage your education and skills funding service by 4 November 2020.

## 6.1 Who needs to sign a claim

An authorised person in your organisation must sign final funding claims.

This can be the principal or another senior post holder who has the delegated authority.

They will need the Contract authoriser or Data returns and claims authoriser role in Manage your education and skills funding.

# 7. Business case process

Our priority is the stability of the FE sector and so we will welcome business cases where recovery would impact vulnerable learners, meaning you make a loss on the delivery or it could affect your short-term viability. An example of this would be that you were not able to put on courses and claim funding because of COVID-19, but you still had staffing and third-party costs to pay.

The business case will require a narrative and financial information about your income and expenditure.

If you wish to submit a business case please email payment.queries@education.gov.uk by Friday 6 November at the latest; we will then supply you with the business case form.

## 7a. Eligibility

You are eligible to submit a reconciliation business case form if performance falls below the reconciliation thresholds for any of AEB, 19 to 24 traineeships or ALLB and you can demonstrate that you have been financially disadvantaged in that you have made a loss above the tolerances provided by the ESFA. In summary the costs that you have incurred exceed the amount of funding provided by the ESFA for the Grant. We will not consider any business case request for growth funding.

When completing the form you must provide financial information including a breakdown of your costs including sub-contracting costs for provision that you were not able to fulfil due to COVID-19. You must also describe (in no more than 700 words) how you continued to attempt to deliver provision during the COVID-19 period.

Anything that you state on the business case form will be subject to audit.

The deadline to submit a case is by close of business on Friday 20 November.

## 7b) Key Dates for Business Case Process

- If you wish to raise a business case you must email payment.queries@education.gov.uk by Friday 6 November.
- The deadline to submit the completed business case form is Friday 20 November.
- We will communicate the business case decision by Friday 18 December.

Where agreed, the revised value will be included in your final reconciliation statement.

# 8. Audit

1. The ILR data return and EAS are subject to the ESFA's audit and assurance regime to ensure the accuracy of the ESFA funding claimed by a provider.
2. All providers must ensure that appropriate audit evidence is retained to support the ILR, EAS and all other returns made to the ESFA. Where overclaims are identified we may instigate recovery action through data

adjustments, offsetting or by invoice.

3. The ESFA will take into account the value of retained funding before progressing any recovery and/or offset of the audit error.
4. Your business case submission will be subject to the ESFA's audit and assurance regime. It is the provider's responsibility to ensure that appropriate evidence is retained to support all of the information recorded within the business case. Failure to do so could result in the recovery of funds.

# 9. Reconciliation statements

For the following funding streams, we will issue a final reconciliation statement:

- ESFA AEB – Adult Skills, 19 to 24 Traineeships and Community Learning – grant-funded
- Advanced Learner Loans Bursary (ALLB) – grant-funded
- ESFA AEB – Adult Skills Learner Support – paid-on-profile (AEB procured)
- ESF AEB – 19 to 24 Traineeships Learner Support – paid on profile (procured)

We will issue a final reconciliation statement through the Manage your education and skills funding service after your submitted and signed your final funding claim.

The final statement will include adjustments for any errors identified through the funding rules monitoring (FRM) reports. For more information on these reports and the FRM process, please refer to Financial assurance: monitoring the funding rules for post-16 funding for 2019 to 2020. We will write to you confirming any recoveries we are making from the FRM process.

If you have to pay amounts back to us, we will schedule those repayments from December 2020 in discussion with you.

If you have an issue with your reconciliation value, you must tell us by 31 December 2020.

We will not consider any requests after this date.

# 10. Exceptional Learning Support (ELS)

If you need to claim for learning support costs over £19,000 then you will need to go through the ELS process at the beginning of the learner's programme. You can submit estimated costs and final claims for exceptional learning support by completing the exceptional learning support cost form. The deadline for submitting the form is 29 October 2020.

For further information about ELS please refer to relevant section of the ESFA funded adult education budget (AEB): funding and performance management rules 2019 to 2020

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