Adult education budget funding rules

For the 2016 to 2017 funding year (1 August 2016 to 31 July 2017).

Version 1

January 2016

Of interest to providers and employers.
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Introduction

E1. This document only applies to the Adult Education Budget (which we describe below). There are separate rules for apprenticeships and Advanced Learner Loans.

E2. You should read this document after you have read the [Skills Funding Agency: common funding rules 2016 to 2017](#).

E3. Where we refer to a learner’s age, we refer to the age at the start of their learning aim or programme unless we specify otherwise.

Provision and individuals we fund

The AEB combines all SFA participation and support funding that is not ESF, Advanced Learner Loans and Apprenticeships. It aims to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or other learning. It enables more flexible tailored programmes of learning to be made available, which may not require a qualification. This will help those furthest from learning or the workplace. For learners with a legal entitlement, we think it right that government specify the qualification offer available.

We continue to expect providers to work with a range of local partners and stakeholders to ensure that the local learning offer meets local needs.

<table>
<thead>
<tr>
<th>Qualifications required for the legal entitlements:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vocational and general qualifications</strong></td>
</tr>
<tr>
<td><strong>16- to 23 core offer</strong> – Tech Levels, Applied General, A-levels, AS-levels, Access to HE, Technical Certificates, GCSEs.</td>
</tr>
<tr>
<td>In addition - a limited number of other technical or professional qualifications from the Regulated Qualifications Framework (RQF).</td>
</tr>
</tbody>
</table>

*The SFA is only responsible for delivering this offer to learners aged 19 and over.*
The level of government contribution we will fund is as follows.

<table>
<thead>
<tr>
<th>Provision</th>
<th>19-23 year-olds</th>
<th>24+ Unemployed</th>
<th>24+ Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>English and Maths up to and including Level 2</td>
<td>Fully funded*</td>
<td>Fully funded*</td>
<td>Fully funded*</td>
</tr>
<tr>
<td>Level 2</td>
<td>Fully-funded* (first and full)</td>
<td>Fully funded</td>
<td>Co-funded</td>
</tr>
<tr>
<td>Provision to progress to Level 2</td>
<td>Fully funded</td>
<td>Fully funded</td>
<td>Co-funded</td>
</tr>
<tr>
<td>Level 3</td>
<td>Fully funded* (first and full)</td>
<td>Loan-funded</td>
<td>Loan-funded</td>
</tr>
<tr>
<td>Traineeship#</td>
<td>Fully funded (including 24 year-olds)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>English for Speakers of Other Languages (ESOL) learning up to and including Level 2</td>
<td>Co-funded</td>
<td>Fully funded</td>
<td>Co-funded</td>
</tr>
<tr>
<td>Learning aims up to and including Level 2, where the learner has already achieved at Level 2 or above</td>
<td>Co-funded</td>
<td>Fully funded</td>
<td>Co-funded</td>
</tr>
<tr>
<td></td>
<td>Fully funded - unemployed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Must be delivered as one of the qualifications required for the legal entitlement.

# Excludes flexible element where funding depends on age and level.

You can find further details on the Adult Education Budget in *'Adult Education Budget - Changing Context and Arrangements for 2016 to 2017'*.

**Definitions used in the Adult Education Budget**

**Unemployed**

E4. For funding purposes a learner is defined as unemployed if one or more of the following apply.

E4.1. They receive Jobseeker’s Allowance (JSA), including those receiving National Insurance credits only.

E4.2. They receive Employment and Support Allowance (ESA) and are in the work-related activity group (WRAG).

E4.3. They receive Universal Credit, earn less than 16 times the National Minimum wage per week or £330 a month and are determined by Jobcentre Plus (JCP) as being in one of the following groups.

E4.3.1. All Work Related Requirements Group.
E4.3.2. Work Preparation Group.

E4.3.3. Work Focused Interview Group.

E4.4. They are released on temporary licence (RoTL) and studying outside a prison environment and not funded through the Offenders’ Learning and Skills Service (OLASS).

E4.5. Providers may also use their discretion to fund other learners if all of the following apply.

E4.5.1. The learner receives other state benefits and earn less than 16 times the National Minimum Wage a week or £330 a month.

E4.5.2. The learner wants to be employed and you are satisfied that the learning is directly relevant to their employment prospects and the local labour market needs.

Full Level 2 definition

E5. Level 2 is the level of attainment which, is demonstrated by:

E5.1. the General Certificate of Secondary Education in five subjects, each at grade C or above, or

E5.2. Technical Certificate at Level 2 which meets the requirements for 16 to 19 performance tables, or

E5.3. other technical and professional qualifications which are part of the Regulated Qualifications Framework (RQF) and required as part of the legal entitlement for the Level 2 entitlement which must be at least 150 guided learning hours (glh)

Full Level 3 definition

E6. Level 3 is the level of attainment which is demonstrated by:

E6.1. the General Certificate of Education at the advanced level in two subjects, or

E6.2. a Quality Assurance Agency Access to Higher Education (HE) Diploma at Level 3, or

E6.3. a Tech Level; or Applied General qualification at Level 3 which meets the requirements for 16 to 19 performance tables, or

E6.4. other technical and professional qualifications which are part of the RQF and listed as part of the legal entitlement for the Level 3 entitlement which must be at least 300 glh
Qualifications and other activity

Eligibility

E7. Where you deliver regulated qualifications you must ensure that the qualifications are eligible for AEB funding and available on the Hub.

E8. The following qualifications and activity are ineligible unless concessions have been agreed nationally.

   E8.1. Linked to acquisition of licences.
   E8.2. Licence to practise.
   E8.3. An employer’s statutory responsibility or which is ‘vendor’ provision or professional certification linked to a particular company or product.

What we will not fund

E9. We will not fund the following unless you have written permission from us to do so.

   E9.1. Any learning aim delivered at an employee’s workplace and relevant to either their job or their employer’s business, unless the learner has an entitlement to full funding under paragraphs E11 and E14.3.
   E9.2. Work placement or work experience, unless it is delivered as part of a traineeship, the Prince’s Trust programme or a continuing study programme (where responsibility for funding transfers from the Education Funding Agency to us when the learner is 19 years old).

Quality

E10. Where you are not delivering a regulated qualification you must ensure that you have appropriate and robust quality assurance processes in place. For instance ‘Recognising and Recording Progress and Achievement’ (RARPA) that would be acceptable to Office of Standards in Education (Ofsted).

English and maths for those aged 19 or older

E11. We will fully fund individuals aged 19 or older, who have not previously attained a GCSE grades A* to C in English and maths on the day they start the following qualifications, as part of their legal entitlement.

   E11.1. GCSE English language or maths.
E11.2. Functional Skills English or maths from entry to Level 2.

E11.3. Stepping-stone qualifications in English or maths approved by the Department for Education or SFA. These can be found on GOV.UK. If a learner wants to ‘retake’ their GCSE English and maths because they did not achieve a grade 5 or above (C or above), we will not fund the learner to only resit the exam.

E11.4. You must not enrol individuals on qualifications which are not necessary for progressing towards a GCSE or Functional Skill Level 2.

E12. You must:

E12.1. carry out a thorough initial assessment to determine their current level using current assessment tools based on the National Literacy and Numeracy Standards and core curriculum

E12.2. carry out an appropriate diagnostic assessment to inform and structure a learner's learner file to use as a basis for a programme of study

E12.3. enrol and evidence the learner is on a level above that at which they were assessed

E12.4. deliver ongoing assessment

E12.5. record the evidence of all assessment outcomes in the learner file

E13. The assessments must place a learner’s current skills levels within the level descriptors used for the RQF.

Individuals aged 19 to 23 (excluding English, maths and ESOL)

E14. We will fully fund 19- to 23-year-olds on the day they start the following learning.

E14.1. Provision to support progression to a first full Level 2

E14.2. Provision, up to and including Level 2 for those who already have a full Level 2 if they are unemployed

E14.3. Qualifications defined within the legal entitlement that are a:

E14.3.1. first full Level 2

E14.3.2. first full Level 3

E15. If the learner has already achieved a Level 2 or above we will co-fund provision up to, and including, a Level 2
Individuals aged 24 or older (excluding English, maths and ESOL)

E16. For individuals aged 24 or older on the day they start, we will:

E16.1. fully fund provision up to, and including, a notional Level 2, if they are unemployed

E16.2. co-fund provision up to, and including, a Level 2 for all other learners aged 24 years and older

Traineeships

E17. We will fully fund individuals aged 16 to 24 who have not previously attained a first full level 3 qualification, for the core elements of their traineeship programme where:

E17.1. they are unemployed at the start of the traineeship or are employed and earn less than 16 times the hourly National Minimum Wage each week or £330 a month

E17.2. they have little or no work experience and are focused on employment, an apprenticeship or the prospect of this

E17.3. they have been assessed as having the potential to be ready for employment or an apprenticeship within six months.

E18. You can find additional requirements for traineeship programmes in paragraphs E26 to E29 of this document.

English for Speakers of Other Languages (ESOL)

E19. We will fully fund individuals aged 19 and over on the day they start their ESOL learning aim where they are unemployed.

E20. We will co-fund all other individuals aged 19 and over on the day they start their ESOL learning aim.

E21. All qualifications you offer must be on the RQF.

Learners with learning difficulties or disabilities

E22. We will fund learners with learning difficulties or disabilities as set out in the Apprenticeships, Skills, Children and Learning Act 2009.

E23. We will not fund learners whose EHC plan is extended by the local authority beyond their 25th birthday. The local authority must continue to provide top-up funding and contract directly with the institution.
E24. An LDA will be treated the same as an EHC plan. If a learner has an EHC plan, you must report this in the ‘Learner funding and monitoring’ fields in the ILR.

E25. If the learner aged 25 has not completed their learning programme as set out in their EHC plan by the end of the funding year, we will fund the provision and support costs where the following apply.

E25.1. The learner is placed with a training organisation and they have an EHC plan which confirmed that the learner’s needs could only be met by that training organisation.

E25.2. The learner continues to make progress on the programme.

**Traineeships**

The traineeship programme provides unemployed young people with skills and experience to progress to an apprenticeship or sustainable work.

Traineeships for 16- to 18-year-olds are based on the EFA’s funding method and you should refer to them for more information.

Traineeships for 19- to 24-year-olds use our funding system and funding rules.

**Provider eligibility and contracting**

E26. We will fully fund traineeships for 19- to 24-year-olds and for 16- to 18-year-olds where you do not have a funding agreement with the EFA, but you deliver 16 to 18 apprenticeships through us. You cannot use your 16 to 18 apprenticeship allocation to deliver traineeships.

**Learner eligibility**

Traineeships for 16- to 18-year-olds

E27. To be funded, the individual in the funding year they start must meet the following criteria.

E27.1. Aged 16, 17 or 18 on 31 August.

E27.2. Aged 16 or older, but under 25, and have an Education, Health and Care Plan (EHC plan).

E27.3. All 16- to 18-year-old learners must be eligible under the EFA’s residency requirements.
E28. A learner cannot start a traineeship until 1 August after they have left school in the academic year in which they have their 16th birthday.

Traineeships for 19- to 24-year-olds

E29. The young person must be aged 19 years or older on 31 August in the funding year in question, and under 25 at the start of the traineeship.

Traineeship duration

E30. The work-placement, work-preparation and flexible elements must all be completed in a period between six weeks and six months.

Traineeship learning

E31. A traineeship includes the following.


E31.2. Work-preparation training.

E31.3. English, maths or ESOL where necessary (please see paragraph E42).

E31.4. Providers can also offer a flexible element as set out in paragraphs E49 to E52.

Traineeships: work placement

E32. The work placement must take place with an employer in a workplace and allow the learner to develop new workplace knowledge, skills and behaviours. This must not be simulated activity in an artificial environment.

E33. You must report the employer’s details through the ILR within four weeks of the start date.

E34. For a 19- to 24-year-old learner the work placement must be for a minimum of 100 planned hours. For a 16- to 18-year-old learner the work placement must be the most substantial element of the programme and you must report the work placement in the ILR as the core aim in a learner’s study programme.

E35. If it is appropriate for a learner to have a number of separate work placements in different organisations, these must last at least two weeks with each employer, and last at least 100 hours in total.

E36. For learners on Jobseeker’s Allowance or Universal Credit, work placements can be up to 240 hours (or extended if an offer of an apprenticeship place is accepted). All elements of the programme (including the work placement) are
subject to a maximum of 35 hours activity each week to meet the requirements of state benefit rules.

E37. The employer must offer at the end of each placement, (which you must evidence), either:

E37.1. a formal interview for a job or apprenticeship vacancy, plus feedback or

E37.2. an exit interview, written feedback and evidence of the learner’s time and activities during the placement

**Work preparation**

E38. If the work-preparation training leads to a qualification, the qualification must be offered by an Ofqual-regulated awarding organisation.

E39. For 16- to 18-year-olds, it must also be approved on the Hub for 16 to 18 funding in the 2016 to 2017 funding year.

E40. For 19- to 24-year-olds all work preparation activity, including non-regulated aims, must be a learning aim categorised as ‘Work Preparation-SFA Traineeships’ on the Hub. These aims will not attract additional funding as they are included in the single traineeship rate for work placement and work preparation.

E41. Work-preparation training must focus on activities that will help progression to an apprenticeship or, sustainable employment. You must connect it to the employability needs of the learner and it may include writing CVs, preparing for interviews, searching for jobs and interpersonal and communication skills.

**Traineeships: English and maths**

E42. All learners must be assessed for a level of English and maths. Any learner without a minimum GCSE grade C or 5 or L2 Functional Skill in English and maths, must be supported to progress to this level.

Traineeships for 16- to 18-year-olds

E43. For 16- to 18-year-olds, you must follow the conditions of funding for 16 to 19 study programmes.

E44. You must enrol the learner in English and maths as outlined in the EFA’s English and maths Condition of Funding document.

E45. If the learner has already achieved a Functional Skills qualification at Level 2 they must work towards achieving a GCSE grade 5 or higher.
E46. You must encourage learners to consider higher-level provision if they have already achieved a grade C in English or maths, particularly Level-3 maths qualifications.

Traineeships for 19- to 24-year-olds

E47. English and maths requirements are the same throughout the adult education budget (please see paragraphs E11 to E13).

E48. We will continue to fund a learner, who does not complete the English and maths elements during their traineeship, until the learner has completed these learning aims.

Traineeships: flexible element

E49. In addition to the core offer you can also provide other learning provision, described as the ‘flexible element’.

Traineeships for 16- to 18-year-olds

E50. You can offer other activities, including appropriate technical and professional qualifications approved on the section 96 list, and approved on the Hub for 16 to 18 funding.

Traineeships for 19- to 24-year-olds

E51. The flexible element is funded as standard provision within the adult education budget and subject to the general learner eligibility and funding rules. Therefore, learners aged 24 studying a full Level 3 would be required to take an Advanced Learning Loan.

E52. You can offer activities, including appropriate technical and professional qualifications that are eligible for funding and will help the learner move into work or remove a barrier to them entering work. This excludes work preparation aims and any ESOL learning aims covered in paragraph E38.

Traineeship funding

Traineeships for 16- to 18-year-olds

E53. You must report all planned hours for a learner in the ILR. We will fund learners based on the planned hours entered on the appropriate EFA funding rate.

E54. Where a young person successfully progresses to an apprenticeship, full-time study or a job that meets the Raising of the Participation Age requirements, this will be reflected in the EFA’s funding method.

Traineeships for 19- to 24-year-olds
E55. Traineeship funding for 19- to 24-year-olds follows the rules for adult education budget (paragraph E4 to E10).

E56. You must record all achievements on the ILR whether or not funding is claimed for that achievement.

E57. To claim traineeship funding you must plan, and we expect you to deliver, both the work experience and work preparation components.

**Traineeships: outcomes**

E58. The following are outcomes if they are achieved and evidenced within six months of completing the traineeship.

E58.1. An apprenticeship start that meets the minimum qualifying days evidenced by ILR records or a self-declaration by the learner.

E58.2. A job, including being self-employed, that is for at least 16 hours a week and for eight consecutive weeks within six months of leaving a traineeship, evidenced by a declaration from the learner or their employer.

E58.3. Further learning that meets the minimum qualifying days and is evidenced by ILR records or a self-declaration by the learner and meets the following criteria.

E58.3.1. For 16- to 18-year olds, the study of a qualification that is at least 150 guided learning hours (glh) at Levels 2 or 3 (or both) and recognised in the performance tables.

E58.3.2. For 19- to 24-year-olds, the study of a qualification that is at least 150 glh at Levels 2 or 3 (or both) and recognised in the performance tables or eligible for funding as part of the ‘entitlement offer’.

E58.3.3. Progression to a new English and maths qualification which is a level higher than that achieved in the traineeship.

E59. The achievement payment for the single combined work placement and work preparation rate is based on reporting a successful outcome, on the ILR in the programme aim. You must not claim the job outcome payments described in paragraph E61 for this combined rate.

**Support for traineeships**

For 16- to 18-year olds, disadvantage funding, high-needs student funding, vulnerable student bursaries and discretionary bursaries are available through the EFA and detailed in the most recent funding guidance and Bursary Fund guide as issued by the EFA.
E60. For 19- to 24-year-olds traineeships learner and learning support is available, see paragraph E65 to E86. If you did not have a Discretionary Learner Support allocation in 2015-16, you must follow the Learner Support rules set out below and claim learner support using the Earnings Adjustment Statement (EAS).

Job outcome payments

E61. For fully-funded learners who are unemployed (including traineeships), we will pay 50% of the achievement payment if they get a job before achieving the learning aim. If the learner then achieves the learning aim, we will pay the remaining achievement payment. The following conditions apply.

E61.1. The learner must provide you with evidence through a declaration, that they have a job for at least 16 hours or more a week for four consecutive weeks.

E61.2. Where the learner was claiming benefits relating to unemployment they must also declare that they have stopped this claim.

Continuing A-levels

E62. When a learner starts an AS-level qualification and intends to continue through to a full A-level in the same subject, the funding of both the AS and A-levels will be treated as if they were a single qualification. This must be set out in their learning agreement and the learning must be in consecutive funding years.

Fees and charging

E63. You must not make compulsory charges relating to the direct costs of delivering a learning aim to learners we fully fund, including those with a statutory entitlement to be fully funded for their learning. Direct costs include any essential activities or materials without which the learner could not complete and achieve their learning.

E64. If a fully-funded learner needs a Disclosure and Barring Service check to participate in learning, you cannot charge them for this. If the learning is associated with the learner’s employment, their employer is responsible for carrying out and paying for this check.

Support funding

E65. Learner and learning support funding will enable providers’ flexibility to meet the needs of learners and cover the cost of reasonable adjustments as part of the Equality Act 2010.

E66. Learning Support to meet the learning needs of learners who have an identified learning difficulty or disability to achieve their learning goal.
E67. **Learner Support** is available to providers who received a Discretionary Learner Support allocation in 2015 to 2016 to provide financial support for learners with a specific financial hardship preventing them from taking part in learning, including:

E67.1. Hardship funding – general financial support for vulnerable and disadvantaged learners

E67.2. 20+ Childcare funding – for learners aged 20 or older on the first day of learning who are at risk of not starting or continuing learning because of childcare

E67.3. Residential Access funding – to support learners where they need to live away from home

**Learning support**

E68. Learning Support must not be used to deal with everyday difficulties that are not directly associated with a learner’s learning on their programme.

E69. Learners who were funded by the EFA and become our responsibility for continuing learning aims continue to receive Learning Support at the same level.

E70. You must:

E70.1. carry out a thorough assessment to identify the support the learner needs

E70.2. agree and record the outcome of your assessment in the learner file

E70.3. record all outcomes on the learner file and keep all evidence of the assessment of the needs, planned and actual delivery

E70.4. report in the ILR that a learner has a learning support need associated with an identified learning aim, by entering code LSF1 in the ‘Learning Delivery Funding and Monitoring’ field and entering the corresponding dates in the ‘Date applies from’ and ‘Date applies to’ fields

E71. Learning support will be earned at a fixed monthly rate if it has been reported in the ILR. EAS should be used if your costs are not covered by this rate and you must keep evidence of these costs.

E72. You may claim Learning Support if learning continues past the planned end date and the learner still needs support.
Exceptional Learning Support claims above £19,000

Learners who need significant levels of support to start or continue learning can get access to Exceptional Learning Support if their support costs more that £19,000. Learners aged 19 to 24 requiring significant levels of support would normally be expected to have an Education, Health and Care Plan (EHC plan) provided by their local authority and therefore would access funding from their local authority.

E73. If a learner has support costs of more than £19,000 in any one funding year, you can access Exceptional Learning Support. You can find details of how to claim in the claims document.

Learner Support

E74. Before you award support to a learner, you must identify their needs within the following ‘categories’.

- E74.1. Hardship for those aged 19 or older.
- E74.2. Childcare for those aged 20 or older.
- E74.3. Residential for those aged 19 or older.
- E74.4. Administration.

E75. In 2016 to 2017 we will retain the existing Learner Support funding arrangements for those providers who received Discretionary Learner Support (DLS) in 2015 to 2016.

E76. You cannot transfer funding between your AEB and your Loans Bursary Fund.

E77. You must record, report and retain evidence on spending for each of the categories.

E78. Administrative costs will be capped at 5% of the value of your 2015 to 2016 DLS allocation.

E79. You must:

- E79.1. have criteria for how you will administer and distribute your funds: these must reflect the principles of equality and diversity and be available to learners and to us on request
- E79.2. assess and record the learner’s needs, demonstrating the need for support
- E79.3. report the appropriate Learner Support Reason codes in the ‘Learner Funding and Monitoring’ fields in the ILR
E79.4. complete a **mid-year funding forecast and a final claim**

E79.5. take into account the availability of other support for learners, for example from JCP or a Work Programme

E79.6. make it clear to learners that it is their responsibility to tell the Department for Work and Pensions about any learner support that they are receiving from you, as learner support payments may affect their eligibility to some benefits

E80. You must not use learner support funds for any of the following.

   E80.1. Essential equipment or facilities if the learner is fully funded by us. However, fully-funded learners can get support funding for childcare, transport and residential costs.

   E80.2. A learner released on temporary licence.

   E80.3. A learner carrying out a higher education course or learning aims fully funded from other sources.

   E80.4. To pay weekly attendance allowances or achievement and attendance bonuses.

**Hardship**

E81. Hardship funds can be used for the following.

   E81.1. Course-related costs, including course trips, books and equipment (where costs are not included in the funding rate), domestic emergencies and emergency accommodation.

   E81.2. Transport costs (but not to make a block contribution to post-16 transport partnerships or routinely fund transport costs that are covered in the local authority’s legal duty for learners of sixth-form age).

   E81.3. Examination fees.

   E81.4. Accreditation fees, professional membership fees and any fees or charges due to external bodies.

   E81.5. Your registration fees.

   E81.6. Support provided by others, or by providing items, services or cash direct to the learner. This can be a grant or a repayable loan.

   E81.7. To support learners on a traineeship including the work placement element.
E82. In exceptional circumstances you can use hardship funds to help with fees for disadvantaged learners.

E83. If an asylum seeker is eligible for provision you may provide learner support in the form of course-related books, equipment or a travel pass. You must not give a learner who is an asylum seeker support in the form of cash.

**20+ Childcare**

E84. You can only use childcare funding to pay for childcare with a childminder, provider or childminder agency who is registered with Ofsted.

E85. You must not use childcare funding:

   E85.1. to fund informal childcare, such as that provided by a relative

   E85.2. to set up childcare places or to make a financial contribution to the costs of a crèche

   E85.3. to fund childcare for learners aged under 20 on the first day of learning; instead you must direct them to the EFA ‘Care to Learn’ programme

E86. Childcare for those 20 years or older must not be used to top up childcare payments for those receiving ‘care to learn’.

**Residential Access Funding**

E87. You must:

   E87.1. set out the criteria and procedures for considering and agreeing applications for support from your Residential Access funds

   E87.2. give priority to learners who need accommodation and only pay for travel costs in exceptional circumstances

**Breaks in learning**

E88. You and the learner can agree to suspend a learning aim while the learner takes a break from learning. This allows the learner to continue learning at a later date with the same eligibility that applied when they first started their learning aim.

E89. We will not fund a learner during a break in learning.

E90. You must have evidence that the learner agrees to return and continue with the same learning aim, otherwise you must report the learner as withdrawn.
E91. You must not use a break in learning for short-term absences, such as holidays or short-term illness.