



Education & Skills  
Funding Agency

# **19+ allocations technical guidance for 2021 to 2022**

**April 2021**

# Contents

Summary	3
Understanding the terminology	3
Allocation statement	4
Business case process	5
Contact us	6
Allocation methodologies	7
ESFA funded AEB: Grant funded only	7
National Skills Fund level 3 adult offer	11
Other useful information	14
19 to 24 traineeships	15
Advanced learner loan facilities and bursaries	17
Loans facility	17
Loans bursary	18
16 to 18 traineeships (for providers that do not have 16 to 19 funding)	19
16 to 18 traineeships	19
16 to 18 traineeships bursary	21
Apprenticeships carry-in (non-procured)	21
Glossary	24

## Summary

1. This document sets out the methodologies and technical details for the following allocations for the 2021 to 2022 funding year:
  - Education and Skills Funding Agency (ESFA) funded adult education budget (AEB) including Sheffield City Region and West Yorkshire continuing learners (grant funded providers only)
  - 19 to 24 traineeships (grant funded providers only)
  - advanced learner loans (ALL) facilities and bursaries
  - 16 to 18 traineeships (for providers that do not have 16 to 19 funding)
  - apprenticeships carry-in (non-procured)
2. Your allocation is the maximum amount you can earn in the 2021 to 2022 funding year and not necessarily the amount you will be paid.
3. For information about 2021 to 2022 non-levy apprenticeship extension allocations from 1 April 2021 to 31 March 2022, please see the [apprenticeship non-levy extension technical guidance](#).
4. You should read this document together with the relevant [funding and performance management rules](#) for the 2021 to 2022 funding year (when published).
5. We recognise that the 2020 to 2021 funding year has been a difficult year for all and have aimed to mitigate the impact of the pandemic in our 2021 to 2022 allocations methodologies.

## Understanding the terminology

6. The terms 'we' and 'ESFA' refer to the 'Education and Skills Funding Agency' and associated staff.
7. 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.
8. We will use the generic term 'you' or 'provider' unless only apply to a specific provider type.
9. We use the term 'grant' to include provider funded through a:
  - financial memorandum
  - conditions of funding (grant)
10. We use the term 'contract for services' to include provider funded through a:
  - contract for services
  - conditions of funding (grant) – employer
11. The 2021 to 2022 funding year runs from 1 August 2021 to 31 July 2022.

## Allocation statement

12. Your allocation statement is available to view on [Manage your Education and Skills Funding](#).

13. You need one of the following roles to view your allocation statement:

- contract authoriser
- contract manager
- contract user
- data returns and claims authoriser

14. You can request a new role through the [Identity and Access Management Service](#) (IDAMs) or by asking your organisation's super user.

15. Your allocation statement will show how much we have allocated to you for the 2021 to 2022 funding year and how this spans financial years (August 2021 to March 2022 and April 2022 to July 2022).

16. You can understand how we have calculated your allocation by using our [calculators](#). You will need to enter information when prompted and it will show the steps in our calculations. Calculators will be available for 16 to 18 traineeships, 19 to 24 traineeships and ALL allocations by 16 April 2021. For an explanation of the calculation of your ESFA funded AEB allocation please contact us using [our online enquiry form](#).

17. You will not see a funding line on your allocation statement where we have calculated a £0 allocation for your ESFA funded AEB, 16 to 18 traineeships or ALL funding. We will write to you separately if you currently have a contract for the relevant funding stream and this applies to you.

18. If you merged or were part of a disaggregation before we issued allocation statements, and we have received confirmation from your organisation, we have reflected this in your allocation/s. We have calculated allocations separately for each of the providers involved in a merger and then aggregated them for the continuing provider. For disaggregation's, we have split the allocation using the agreed proportions.

19. If we have not received confirmation of a merger or disaggregation, then you will not receive a merged or disaggregated allocation. If your situation has changed since, please contact us using our [online form](#).

20. You will not receive an allocation statement if:

20.1. it is on hold: we are reviewing these allocations and we will contact you about this separately. Your statement might be on hold if you are about to merge with another organisation or take on learners from a failing provider for example

20.2. you have received notice that we are terminating your contract

21. If we change your allocation, we may update your original allocation statement. You will be able to view all versions of your statements on [Manage your Education and Skills Funding](#).
22. Allocation statements are not legally binding. They do not create any legal obligation against the Secretary of State for Education, acting through the ESFA.
23. We use historic delivery and performance to calculate your allocation to make sure provision is of a high quality. We will use your track record to assess your ability to deliver education and training to the required standard and may reduce your allocation if one or more of the following is true:
  - 23.1. your Ofsted grade is inadequate
  - 23.2. you are in formal intervention for minimum standards or inspection
  - 23.3. you have been issued with a notice for financial control
  - 23.4. you have been issued with a notice to improve, additional conditions of funding or additional contractual obligations in relation to minimum quality standards for 19+ education and training
  - 23.5. you have significantly underdelivered against your contract value in previous years
  - 23.6. you are subject to an investigation for breach of contract and/or failed audit

## **Business case process**

24. You can raise a business case if:
  - 24.1. You had a significant data error that affected your ESFA funded AEB, 19-24 traineeships, ALL or 16-18 traineeships allocation.
  - 24.2. You are a grant funded provider and have an ESFA funded AEB contract for the 2020 to 2021 funding year but did not receive a 2021 to 2022 allocation because the allocation we calculated for you was less than £10,000.
  - 24.3. You are a grant funded provider and have a 19-24 traineeships contract for the 2020 to 2021 funding year but did not receive a 2021 to 2022 allocation because you haven't recorded any delivery in the 2019 to 2020 and 2020 to 2021 funding years.
  - 24.4. You have an ALL allocation for the 2020 to 2021 funding year but didn't receive a 2021 to 2022 allocation because you have not used your loans facility in the 2018 to 2019, 2019 to 2020 and 2020 to 2021 funding years.
  - 24.5. If you have a 16 to 18 traineeships allocation in the 2020 to 2021 funding year but have not been issued with an allocation for 2021 to 2022 because you have not recorded any delivery in the 2019 to 2020 and 2020 to 2021 funding years.

25. The deadline to submit a business case is 14 May 2021. We have published an [adult allocations business case template](#), we will only accept cases where the template has been fully completed and submitted by the deadline.

26. We have [published information](#) about how to raise a business case.

## Contact us

27. If you have a query, please use our [online form](#).

## Allocation methodologies

### ESFA funded AEB: Grant funded only

28. This section refers to your ESFA funded AEB allocation. If you have a query about the AEB funding allocated by a Mayoral Combined Authority (MCAs) or the Greater London Authority (GLA), please contact them directly.

29. Devolution of the AEB came into effect from 1 August 2019, with approximately 50% of the AEB being devolved to MCAs and to the Mayor of London, through the GLA. From the 1 August 2020, the North of Tyne devolved. From the 1 August 2021 2 areas devolved, Sheffield City Region and West Yorkshire. The MCAs/GLA are now responsible for commissioning and funding AEB provision for learners resident in their areas.

30. ESFA will fund learners resident outside devolved areas and will continue to provide funding for continuing learners resident in Sheffield City Region and West Yorkshire (learners that will not complete their programmes by 31 July 2020). Continuing learners for Sheffield City Region and West Yorkshire will be funded by the ESFA for the 2021 to 2022 funding year only.

31. 19 to 24 traineeships will remain a national programme with funding provided by ESFA irrespective of where the learner resides in England.

32. The ESFA funded AEB allocations section of this document applies to grant funded providers only.

33. One year only allocations have been removed from the 2021 to 2021 funding year, but you can continue to fund learners who started these courses before 1 August 2021 using your 2020 to 2021 ESFA funded AEB allocation. High value courses for school and college leavers must complete their learning by 31 March 2022. Sector based work academies can continue to be funded using ESFA funded AEB as it always has been.

34. 2020 to 2021 ESFA funded AEB contracts for services will expire on 31 July 2021. No further funding will be provided on these contracts even if learners have not completed their learning by this date.

35. The procurement application window for ESFA funded AEB contracts for services from 1 August 2021 closed on 22 March 2021. ESFA funded AEB allocations for the 2021 to 2022 funding year will only be provided to contract for services providers who are successful in the procurement. We expect outcomes of the procurement are due to be communicated on or around 24 June 2021 via the [e-Procurement portal Jaggaer](#).

36. Your April 2021 allocation statement shows an illustrative allocation for continuing learners resident in Sheffield City Region and West Yorkshire. The final allocation value for continuing learners will be based on R14 individualised learner record (ILR) data and be issued in December 2021. The illustrative value gives an indication of the value of

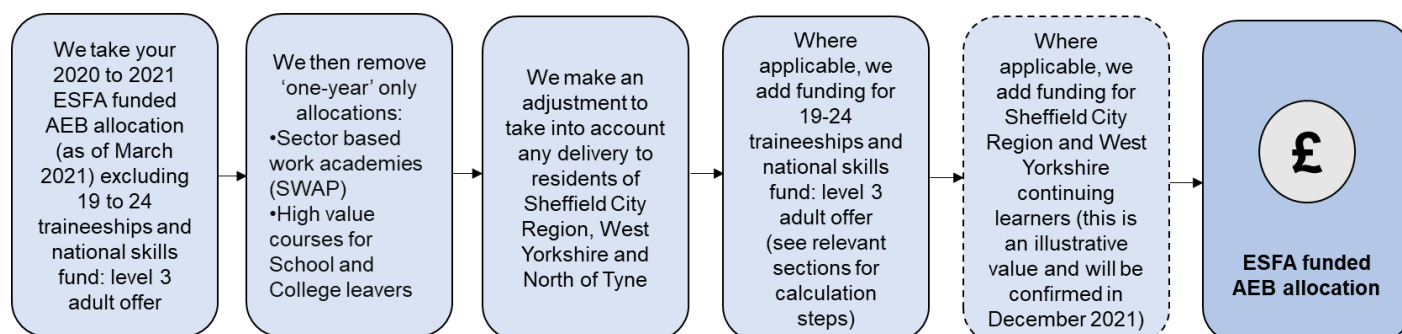
continuing learners based on a previous year's delivery, but the final value is likely to be different.

37. It is important that you pay close attention to the different allocation values you may have for each element of your ESFA funded AEB allocation. You can do this in [Manage your Education and Skills Funding](#) by using the drop down 'how your ESFA funded adult education budget is broken down' or by downloading the PDF version of the statement:

- adult skills: this includes the National Skills Fund level 3 adult offer for 19 to 23 year-olds, learning support and learner support
- community learning: non-formula funded community learning value
- illustrative continuing learners in newly devolved areas (Sheffield City Region and West Yorkshire)
- 19 to 24 traineeships: includes 19 to 24 traineeship learner support
- National Skills Fund level 3 adult offer for 24-year-olds and over

38. These values will also be shown separately in your funding agreement.

39. We have used the following methodology to set ESFA funded AEB allocations:



40. We take your current 2020 to 2021 ESFA funded AEB allocation (as of March 2021) excluding 19-24 traineeships and the National Skills Fund: level 3 adult offer as your baseline (the starting point of our calculation).

41. We remove 'one year' only allocations:

41.1. Sector based work academies (SWAP)

41.2. High Value Courses for School and College Leavers

42. Where applicable, we remove funding for North of Tyne continuing learners. This was allocated to you in 2020 to 2021 for one year only.

43. Where applicable, we remove any delivery to residents of the recently devolved areas (Sheffield City Region and West Yorkshire). This has been removed as a proportion of your allocation, using final 2019 to 2020 delivery data. Continuing learners for recently devolved areas are added back later in the calculation as an illustrative value. See the AEB continuing learners for newly devolved areas (Sheffield City Region and West Yorkshire) section of this document for more information.



44. For providers that met the criteria to be funded nationally for a 2 year period (2019 to 2020 and 2020 to 2021) we have reduced your allocation for all devolved funding. This has been removed as a proportion of your allocation, using final 2019 to 2020 delivery data.

45. Where applicable, we add funding for 19 to 24 traineeships, National Skills Fund level 3, and Sheffield City Region and West Yorkshire continuing learners (see relevant sections below for more information).

46. All delivery data used in the allocation calculation includes monitoring and audit adjustments and exception cases to accurately reflect final delivery.

47. The calculation on which learners were resident outside devolved areas is based on each AEB learner's 'home' postcode prior to enrolment. Our [published narrated presentation](#) sets out the technical detail of how residency calculations work across data from the ILR, earnings adjustment statement (EAS) and funding claims.

48. We have applied a minimum allocation of £10,000. If the allocation we have calculated for you is less than £10,000 you will not receive an allocation and we will notify you separately. If you are a grant funded provider and had an AEB allocation in the 2020 to 2021 funding year but have not been issued with an allocation for 2021 to 2022 because the allocation we have calculated for you is less than £10,000, you can request an allocation of up to £10,000 through our business case process. Please see the business case process section of this document for more information.

### **Non-formula funded community learning**

49. Where applicable, delivery excludes non-formula funded over-delivery. Our performance management rules set out that we will not fund non-formula funded community learning over delivery, nor offset non-formula funded community learning over-delivery against adult skills under-delivery.

50. Grant providers with non-formula funded community learning allocations have the flexibility to spend non-formula funded community learning funding on adult skills. Where providers have used that flexibility, we are maintaining your non formula-funded community learning at its current level (taking into account the national affordability factor).

### **AEB continuing learners in areas that devolved on/before 1 August 2020**

51. In the 2019 to 2020 funding year, for one year only, we funded AEB learners that were in learning in 2018 to 2019 but did not complete their programme by 31 July 2019, regardless of where they resided.

52. In the 2020 to 2021 funding year, for one year only, we funded AEB learners that were resident in North of Tyne and were in learning in 2019 to 2020 but did not complete their programmes by 31 July 2020.

53. Both of these arrangements were for one year only and funding has not been consolidated into your ESFA funded AEB allocation for 2021 to 2022.

54. It is your responsibility to ensure you meet the cost of continuing learners within your ESFA funded AEB allocation, as you have always done.

### **AEB continuing learners for newly devolved areas (Sheffield City Region and West Yorkshire)**

55. In 2021 to 2022, for one year only, we will fund AEB learners that were resident in Sheffield City Region and West Yorkshire and were in learning in 2020 to 2021 but did not complete their programmes by 31 July 2021.

56. An illustrative value for continuing learners is included in your April 2021 allocation statement. This is an illustrative value so will be excluded from your contract value when this is issued.

57. The illustrative continuing learner value has been calculated by looking at the funding in 2019 to 2020 (based on R14 data) for Sheffield City Region and West Yorkshire residents that were in learning in 2018 to 2019 and continued into 2019 to 2020.

58. The final value for continuing learners will be calculated following the completion of the 2020 to 2021 funding year. If the value of your continuing learner funding has changed, an updated allocation statement will be issued through MYESF in December 2021. Your contract will be updated shortly after to include funding for continuing learners.

59. The final value for continuing learners will be calculated using your final R14 (October 2021) ILR data submission. We will calculate the cost of learners that are continuing from 2020 to 2021 into 2021 to 2022 for Sheffield City Region and West Yorkshire residents. We will provide the full-year cost of these learners assuming all learners will achieve on their planned end date.

60. We show continuing learner funding as a separate allocation value on your allocation statement, but it forms part of your overall ESFA funded AEB allocation and we will not manage it separately.

61. We will also add a value for any non-formula funded community learning learners by looking at the cost of Sheffield City Region and West Yorkshire resident community learning learners that continued from 2020 to 2021 into 2021 to 2022.

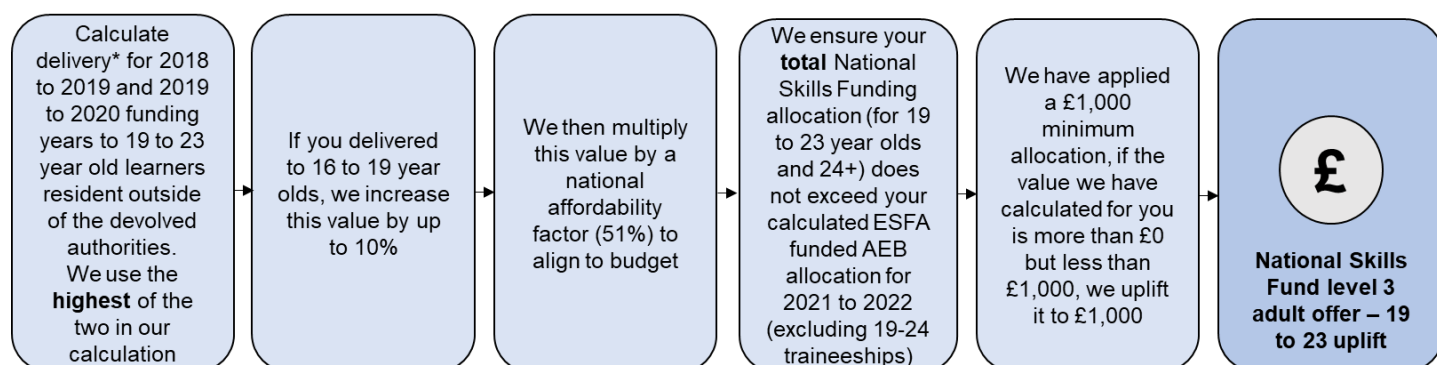
62. Continuing learners funding for Sheffield City Region and West Yorkshire is for 2021 to 2022 only and will not be consolidated into your ESFA funded AEB allocation beyond 31 July 2022.

63. It is your responsibility to ensure you meet the cost of continuing learners within your ESFA funded AEB allocation, as you have always done.

## National Skills Fund level 3 adult offer

### 19 to 23 uplift

64. As part of the Lifetime Skills Guarantee, a targeted level 3 adult offer has been developed to support adults without an existing full level 3 qualification.
65. Any additional funding for the 19 to 23-year-old uplift is included in the adult skills line of your allocation statement. We expect you to use it for 19 to 23 learners as part of the level 3 adult offer, however this will not be managed separately.
66. Only level 3 qualifications on the [Qualifications in the National Skills Fund](#) – level 3 adult offer will attract an uplift. There may be additions to the list, to ensure it meets the needs of the economy – we encourage providers to check availability regularly.
67. You can continue to deliver training for the specified level 3 courses from within your ESFA AEB allocation as you always have done. The additional funding for 19 to 23 uplift is a top-up for undertaking these courses.
68. This funding is allocated for ESFA funded learners only. The MCAs/GLA are responsible for the funding for learners resident in their areas. If you have a query about the AEB funding allocated by a MCA or the GLA please contact them directly.
69. Grant funded providers who received an allocation for the National Skills Fund level 3 adult offer for 19 to 23 year-olds for April 2021 to July 2021 may use their ESFA funded AEB for any learners who continue into 2021 to 2022.
70. We have used full year 2018 to 2019 (R14) data and full year 2019 to 2020 (R14) data to calculate your National Skills Fund level adult offer - 19 to 23 uplift allocation using the following methodology:



\***Delivery** – delivery is the historic volume of learners undertaking the specified level 3 courses through both ESFA funded AEB and ALL. The volume of learners is then multiplied by the relevant uplift (£150 or £600) to determine the monetary value of the historic delivery.

71. To calculate the baseline (the starting point of our calculation), we look at the number of 19 to 23 year-old learners you delivered to in the 2018 to 2019 and 2019 to 2020 funding years that were studying courses set out in the National Skills Fund – level 3 adult offer.

72. We then multiply the number of learners, calculated in paragraph 71, by their relevant uplift (£150 or £600). We then use the year with the highest value as the baseline of our calculation. The qualification uplifts are set out in our [ESFA funded AEB funding rates and formula for 2020 to 2021](#) documentation.
73. If you have delivered these courses to 16 to 19 year-old learners historically, we increase the value calculated in paragraphs 71 and 72 by up to 10%. To calculate this uplift we use the same calculation as set above but for 16 to 19 year-old learners, this is limited to 10% of the value calculated in paragraphs 71 and 72.
74. We then multiply by the value calculated in paragraphs 71 to 73 by a national affordability factor (51%).
75. We have applied a cap to ensure your total level 3 adult offer allocation does not exceed your calculated ESFA funded AEB allocation (excluding traineeships) for 2021 to 2022.
76. We have focused our allocation method on historic delivery. This is to recognise commitments to the courses outlined in the National Skills Fund level 3 adult offer. To acknowledge these courses can be undertaken by individuals age 16 and over we have allowed for a small uplift to ESFA funded AEB providers who have delivery of these courses to 16- to 19-year-olds, where applicable.
77. We have applied a minimum allocation of £1,000. If your calculated allocation is not equal to £0 but less than £1,000, we have uplifted your allocation to £1,000.
78. All delivery used within your allocation calculation includes monitoring and audit adjustments and exception cases to accurately reflect final delivery.
79. The calculation on which learners were resident outside devolved areas was based on each AEB learner's 'home' postcode prior to enrolment. Our [published narrated presentation](#) sets out the technical detail of how residency calculations work across data from the ILR, EAS and funding claims.
80. The value in your allocation does not include a proportion for learner support. This funding is an uplift for 19 to 23 level 3 courses which should already be delivered through your existing ESFA funded AEB allocation.
81. If you have not been provided with additional funding you can continue to deliver 19 to 23 level 3 courses from within your ESFA funded AEB allocation and follow the requirements set out in ESFA funded AEB funding rules 2021 to 2022 (when published).
82. Arrangements on how to access this funding from August 2021 will be included in the ESFA funded AEB funding and performance management rules for the 2021 to 2022 funding year (when published in May 2021).
83. The National Skills Fund Level 3 offer for 19-23-year-olds is separate from National Skills Fund Level 3 offer for 24-year-old learners and above. For this, please

refer to the technical guidance on the National Skills Fund level 3 adult offer for 24-year-olds and over.

## 24+ level 3 participation and uplift

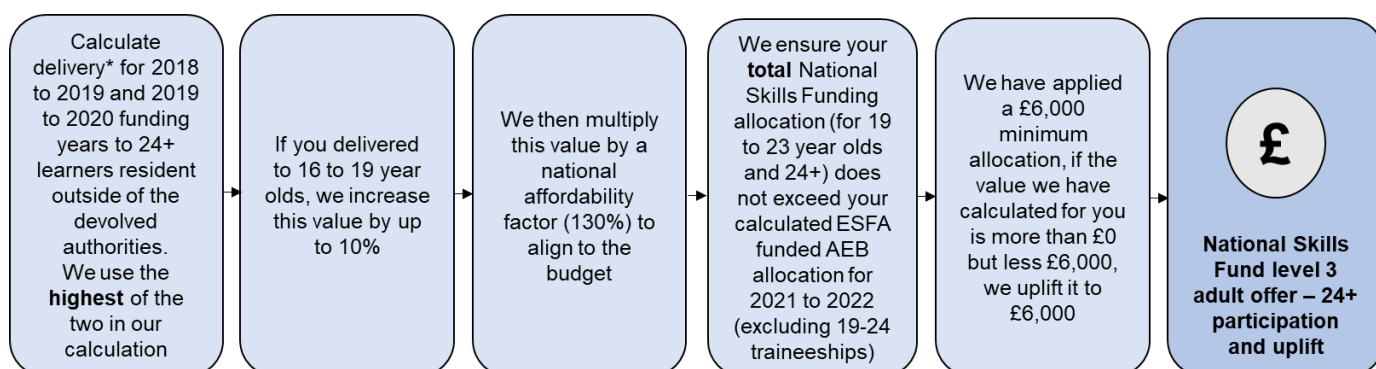
84. As part of the Lifetime Skills Guarantee, a targeted level 3 adult offer has been developed to support adults without an existing full level 3 qualification.

85. Only level 3 qualifications on the [Qualifications in the National Skills Fund – level 3 adult offer](#) will attract an uplift. There may be additions to the list, to ensure it meets the needs of the economy – we encourage providers to check availability regularly.

86. This funding is allocated for ESFA funded learners only. The MCAs/GLA are responsible for the funding for learners resident in their areas. If you have a query about the AEB funding allocated by a MCAs or GLA, please contact them directly.

87. Grant funded providers who received an allocation for the National Skills Fund level 3 adult offer for 24-year-olds and over for April 2021 to July 2021 may use their 2021 to 2022 National Skills Fund level 3 adult offer for 24 year-olds and over allocation for any learners who continue into 2021 to 2022.

88. We have used full-year 2018 to 2019 R14 data and full-year 2019 to 2020 R14 data to calculate your 24+ participation and uplift allocation for level 3 using the following methodology:



**\*Delivery** – delivery is both the historic volume and historic funding delivery of learners undertaking the specified level 3 courses through both ESFA funded AEB and ALL. The volume of learners is multiplied by the relevant uplift (£150 or £600) to determine the uplift monetary value of the historic delivery. The calculated uplift monetary value is then added to the historic level of funding for 24+ participation.

89. To calculate the baseline (the starting point of our calculation), we look at the number of 24 year-old and over learners you delivered to in the 2018 to 2019 and 2019 to 2020 funding years that were studying courses set out in the [National Skills Fund – level 3 adult offer](#).

90. We then multiply the number of learners, calculated in paragraph 89, by their relevant uplift (£150 or £600) and add the value of historic funded delivery. We then use the year with the highest value as the baseline of our calculation. The qualification uplifts

are set out in our [ESFA funded AEB funding rates and formula for 2020 to 2021](#) documentation.

91. If you have delivered these courses to 16 to 19 year-old learners historically, we increase the value calculated in paragraphs 89 and 90 by up to 10%. To calculate this uplift we use the same calculation as set above but for 16 to-19 year old learners, this is limited to 10% of the value calculated in paragraphs 89 and 90.

92. We then multiply by the value calculated in paragraphs 89 to 91 by a national affordability factor (130%).

93. We have applied a cap to ensure your total level 3 adult offer allocation does not exceed your ESFA funded AEB allocation (excluding traineeships) for 2021 to 2022.

94. We have applied a minimum allocation of £6,000. If your calculated allocation is not equal to £0 but less than £6,000, we have uplifted your allocation to £6,000.

95. We have focused our allocation method on historic delivery. This is to recognise commitments to the courses outlined in the National Skills Fund level 3 adult offer. To acknowledge these courses can be undertaken by individuals age 16 and over we have allowed for a small uplift to ESFA funded AEB providers who have delivery of these courses to 16 to 19 year-olds, where applicable.

96. All delivery used within your allocation calculation includes monitoring and audit adjustments and exception cases to accurately reflect final delivery.

97. The calculation on which learners were resident outside devolved areas was based on each AEB learner's 'home' postcode prior to enrolment. Our [published narrated presentation](#) sets out the technical detail of how residency calculations work across data from the ILR, EAS and funding claims.

98. If additional funding is allocated to you for the 24+ level 3 participation and uplift and you do not want to accept it or do not have the capacity to deliver, you can decline the additional funding or reduce the amount. We will assume you can deliver the additional funding and issue a contract variation unless you inform us otherwise by 14 May 2021 using our [online form](#).

99. If you are a grant provider that did not receive funding for 2021 to 2022, arrangements on how to access this funding from August 2021 will be included in the ESFA funded AEB funding and performance management rules for the 2021 to 2022 funding year (when published in the spring).

## **Other useful information**

100. For the 2019 to 2020 and 2020 to 2021 funding years only, 4 providers met the criteria to be funded nationally by ESFA. These arrangements end on 31 July 2021. These providers will now receive ESFA AEB funding for delivery to learners resident in the non-devolved areas only.

## 19 to 24 traineeships

101. 19 to 24 traineeships continue to be managed as a national programme for the 2021 to 2022 funding year, they are not devolved. It is an 'of-which' of ESFA funded AEB allocations and we will manage it as a separate allocation line. We will not allow virement of funds between 19 to 24 traineeships and ESFA funded AEB.

102. The 19 to 24 traineeships section of this document applies to grant funded providers only.

103. 2020 to 2021 ESFA funded AEB contracts for services will expire on 31 July 2021. This includes 19 to 24 traineeships for providers funded through a contract for services. No further funding will be provided on these contracts even if learners who have not completed their learning by this date. In October 2020, we launched a procurement opportunity so providers can access funding to deliver 19 to 24 traineeships from 1 August 2021. The outcomes of this procurement opportunity have now been communicated.

104. 2021 to 2022 funding year allocations for providers successful in the procurement will be issued before 1 August 2021.

105. We have calculated 19 to 24 traineeship allocations for the 2021 to 2022 funding year for providers that:

105.1. are grant funded and

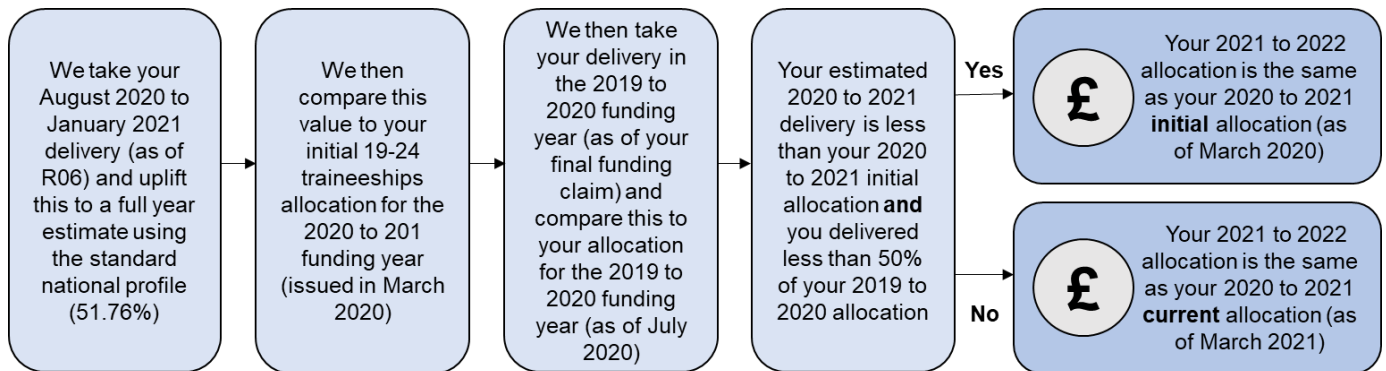
105.2. have a 19 to 24 traineeships contract for the 2020 to 2021 funding year and

105.3. delivered 19 to 24 traineeships between August 2019 and January 2021

106. If you had a 19 to 24 traineeships allocation in the 2020 to 2021 funding year but have not been issued with an allocation for 2021 to 2022 because you have not delivered, you have until 14 May 2021 to request an allocation of up to £25,000 through our business case process if you plan to start delivering. Please see the business case process section of this document for more information.

107. We will publish the arrangements for requesting a 19 to 24 traineeships allocation for the first time if you have an ESFA funded AEB grant allocation in the 2020 to 2021 funding year in our AEB funding and performance-management rules for the 2021 to 2022 funding year. We aim to publish these rules in May 2021.

108. We have used the following methodology to calculate 19 to 24 traineeships allocations:



109. To calculate your 19 to 24 traineeships allocation, we divide your 19 to 24 traineeships delivery between August 2020 and January 2021 (as of your R06 data return) by 51.76% (the standard national profile for this time period). This gives an estimate of your full year delivery.

110. We then compare your full year delivery estimate to your initial 19 to 24 traineeships allocation for the 2020 to 2021 funding year. This was issued in March 2020.

111. We also compare your 19 to 24 traineeships delivery between August 2019 and July 2020 (the full 2019 to 2020 funding year) to your final allocation for the 2019 to 2020 funding year (as of July 2020).

112. If your estimated full year delivery for the 2020 to 2021 funding year is less than your initial 19 to 24 traineeships allocation for the 2020 to 2021 funding year **and** your 19 to 24 traineeships delivery between August 2019 and July 2020 was less than 50% of your final allocation for the 2019 to 2020 funding year, your 2021 to 2022 19 to 24 traineeships allocation will be the same as what was allocated to you in March 2020.

113. If your estimated full year delivery for the 2020 to 2021 funding year is more than your initial 19 to 24 traineeships allocation for the 2020 to 2021 funding year **or** your 19 to 24 traineeships delivery between August 2019 and July 2020 was more than 50% of your final allocation for the 2019 to 2020 funding year, your 2021 to 2022 19 to 24 traineeships allocation will be the same as your current allocation (as of March 2021).

114. We have applied a minimum allocation of £10,000. We have uplifted your 2021 to 2022 allocation to £10,000 if the allocation we calculated for you is lower than this (unless you have a track record issue).

115. If you have a track record issue (see paragraph 23) then your 2021 to 2022 allocation will be no greater than your current allocation (as of March 2021).

116. Your 19 to 24 traineeships learner support allocation is included in your 19 to 24 traineeships allocation.



## Advanced learner loan facilities and bursaries

### Loans facility

In September 2020, the Prime Minister announced that tens of thousands of adults will be able to benefit from almost 400 free courses next year, in the first major development in the Lifetime Skills Guarantee. The fully funded courses will be available to adults without a full qualification at level 3 (A-level equivalent) from April 2021 to help them gain in-demand skills and open up further job opportunities. Funding for this provision is provided in the National Skills Fund allocations (see the ESFA funded AEB section of this document for information).

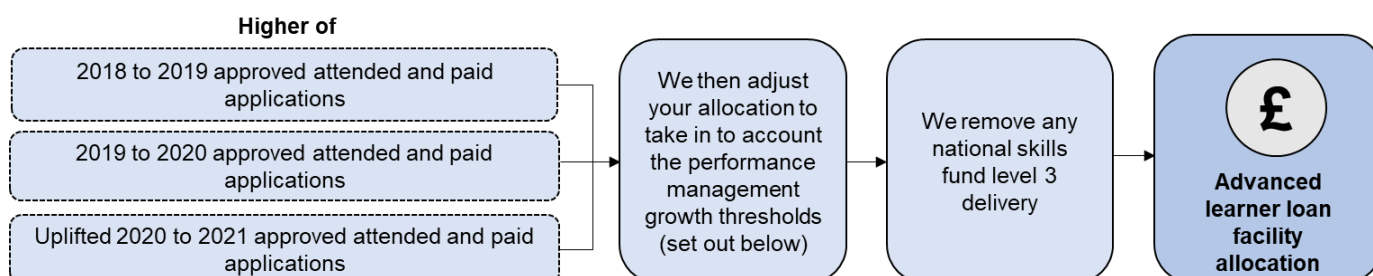
As some of the qualifications funded by ALL will now be available for free through the National Skills Fund, some providers will see a reduction in their ALL facility allocations to take this into account.

117. We have calculated ALL facility allocations for the 2021 to 2022 funding year for providers that:

117.1. have an ALL facility for the 2020 to 2021 funding year and

117.2. used their ALL facility in the 2018 to 2019 and/or 2019 to 2020 and/or 2020 to 2021 funding year

118. We have used the following methodology to calculate allocations:



119. To calculate your ALL facility allocation for the 2021 to 2022 funding year, we compare your approved, attended and paid loans applications:

- in the 2018 to 2019 funding year
- in the 2019 to 2020 funding year
- as of 1 February 2021 in the 2020 to 2021 funding year uplifted to a full year value by multiplying it by your February to July 2020 delivery in the 2019 to 2020 funding year divided by your 2019 to 2020 full year delivery (as a %)

120. To ensure 2021 to 2022 funding year allocations consider the impact of the COVID-19 pandemic, we have considered 3 years' worth of delivery when setting ALL facility allocations for the 2021 to 2022 funding year.

121. If your 2020 to 2021 loans facility was reduced or did not change at the review points in 2020 to 2021 (in October and February), we use the highest of the above as the baseline for our calculation unless it is more than your current 2020 to 2021 loans facility. If this value is greater than your current allocation, we reduce your baseline to your current 2020 to 2021 loans facility (as at February 2021).

122. If your 2020 to 2021 loan facility increased at the review points in 2020 to 2021 (October and February), we have not consolidated the growth into your calculation unless your approved, attended, and paid loans applications reflect an increase in delivery. Your facility is aligned to your highest level of delivery since 2018 to 2019.

123. We then reduce this value to account for the delivery that is included in the [National Skills Fund level 3 adult offer](#) using 2019 to 2020 funding year data. We do this through the following steps:

123.1. Identify all your loan funded provision from the ILR. Create a proxy for funding for all your loans delivery by multiplying the numbers of enrolments as recorded in the ILR by the [funding rates/maximum loan amounts](#) for the relevant qualifications.

123.2. Identifying from the ILR the subset of loan funded delivery that is eligible for the National Skills Fund level 3 adult offer. We identify this delivery through the learning aim references (qualifications on the [National Skills Fund – level 3 adult offer entitlement list](#)), the prior attainment of the learner and if the learning started in the 2019 to 2020 funding year.

123.3. Comparing 2 with 1 gives us the proportion of funding which would now be funded through the National Skills Fund.

124. We have not issued you with a facility if you have not used your loans facility between July 2018 and February 2021.

125. If you had an ALL facility allocation in the 2020 to 2021 funding year but have not been issued with an allocation for 2021 to 2022 because you have not delivered, you have until 14 May 2021 to request an allocation through our business case process if you plan to start delivering. Please see the business case process section of this document for more information.

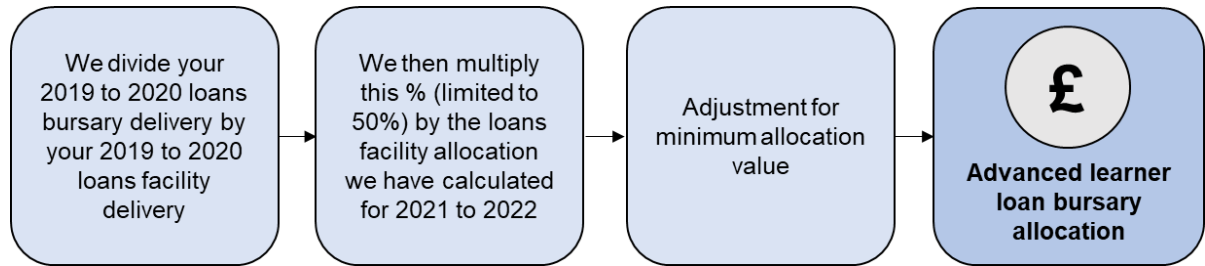
126. We will publish the arrangements for requesting an ALL allocation for the first time in the 2020 to 2021 funding year in our ALL funding and performance management rules for the 2021 to 2022 funding year. We aim to publish these rules in May 2021.

127. If you have a track record issue (see paragraph 23) then your 2021 to 2022 facility allocation will be no greater than your 2020 to 2021 contract value as at February 2021.

## **Loans bursary**

128. We continue to align bursary allocations to programme delivery and aim to have a proportionate bursary value for learner and learning support to the level of facility.

129. We have used the following methodology to calculate ALL bursary allocations:



130. To calculate your allocation, we have divided how much bursary funding you claimed in the 2019 to 2020 funding year (as of your final funding claim) by the value of your approved, attended and paid loans applications in the 2019 to 2020 funding year as of 1 February 2021.

131. We then multiply this percentage by the ALL facility allocation we have calculated for you for the 2021 to 2022 funding year.

132. We have applied a 50% limit. If the proportion of your bursary delivery was greater than this, we have reduced you to this proportion.

133. We have set a minimum bursary allocation value of £500. If the allocation we calculated for you was less than this, we uplifted it to this value.

134. If you did not use your loans bursary in 2019 to 2020, your loans bursary allocation for the 2021 to 2022 funding year will be £500.

## **16 to 18 traineeships (for providers that do not have 16 to 19 funding)**

### **16 to 18 traineeships**

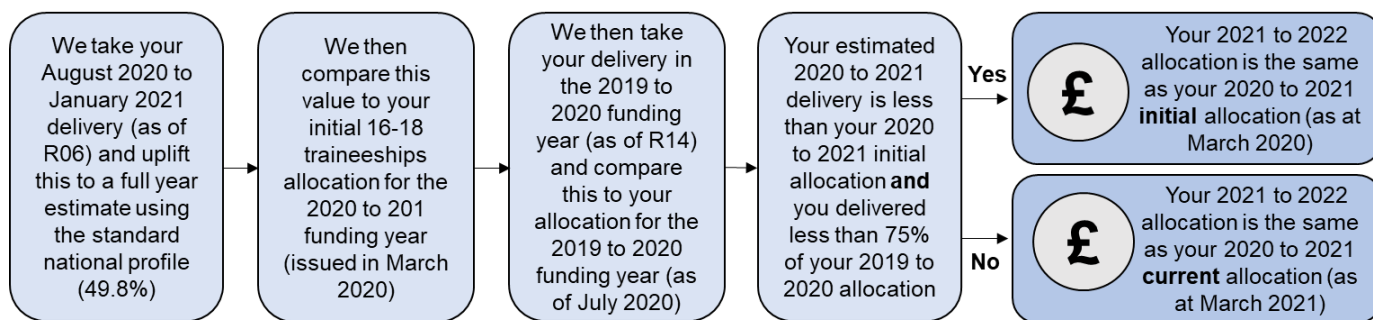
135. We have calculated 16 to 18 traineeships and bursary allocations for the 2021 to 2022 funding year for providers that:

135.1. have a 16 to 18 traineeships contract for the 2020 to 2021 funding year and

135.2. do not have a 16 to 19 funding agreement: [16 to 18 traineeships for providers with 16 to 19 funding agreements](#) are calculated through different arrangements and

135.3. delivered 16 to 18 traineeships between August 2019 and January 2021

136. We have used the following methodology to calculate allocations:



137. To calculate your 16 to 18 traineeships allocation, we divide your 16 to 18 traineeships delivery between August 2020 and January 2021 (as of your R06 data return) by 49.8% (the standard national profile for this time period). This gives an estimate of your full year delivery.

138. We then compare your full year delivery estimate to your initial 16 to 18 traineeships allocation for the 2020 to 2021 funding year. This was issued in March 2020.

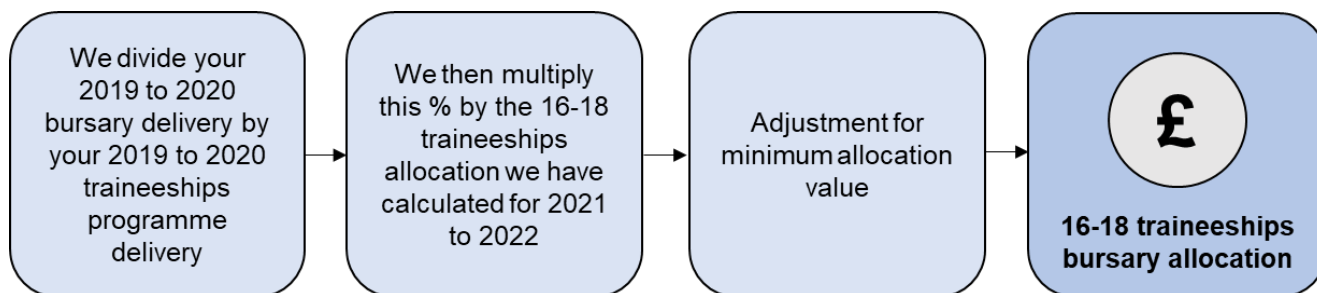
139. We also compare your 16 to 18 traineeships delivery between August 2019 and July 2020 (the full 2019 to 2020 funding year) to your final allocation for the 2019 to 2020 funding year (as of July 2020).

140. If your estimated full year delivery for the 2020 to 2021 funding year is less than your initial 16 to 18 traineeships allocation for the 2020 to 2021 funding year **and** your 16 to 18 traineeships delivery between August 2019 and July 2020 was less than 75% of your final allocation for the 2019 to 2020 funding year, your 2021 to 2022 16 to 18 traineeships allocation will be the same as what was allocated to you in March 2020.

141. If your estimated full year delivery for the 2020 to 2021 funding year is more than your initial 16 to 18 traineeships allocation for the 2020 to 2021 funding year **or** your 16 to 18 traineeships delivery between August 2019 and July 2020 was more than 75% of your final allocation for the 2019 to 2020 funding year, your 2021 to 2022 16 to 18 traineeships allocation will be the same as your current allocation (as of March 2021).

142. If you have a 16 to 18 traineeships allocation in the 2020 to 2021 funding year but have not been issued with an allocation for 2021 to 2022 because you have not delivered between August 2019 and January 2021, you have until 14 May 2021 to request an allocation of up to £25,000 through our business case process if you plan to start delivering. Please see the business case process section of this document for more information.

## 16 to 18 traineeships bursary



143. To calculate your 16 to 18 traineeships bursary allocation, we divide your 2019 to 2020 16 to 18 traineeships bursary delivery in the 2019 to 2020 funding year as of your 2019 to 2020 R14 data return by your 16 to 18 traineeships programme delivery in the 2019 to 2020 funding year as of your 2019 to 2020 R14 data return.

144. We then multiply this percentage by the 16 to 18 traineeships allocation we have calculated for you for the 2021 to 2022 funding year.

145. We have applied a £500 minimum allocation. If the allocation we calculated for you was less than this, then we have uplifted your allocation to this value.

## Apprenticeships carry-in (non-procured)

146. Apprenticeship carry-in allocations for the 2021 to 2022 funding year will be issued in July 2021 through [Manage your Education and Skills Funding](#).

147. We will use your R10 (May 2021) data return and our standard carry-in allocations methodology set out below to calculate the funding required in 2021 to 2022 for learners that started:

- before 1 May 2017 (under the old funding system)
- with non-levy employers between 1 May and 31 December 2017 (under the new funding system)
- with non-levy employers between 1 January and 31 March 2018 (if you were offered a 3 month run-down extension as a result of being unsuccessful in the non-levy procurement).

148. We will use the following methodology to calculate apprenticeship carry-in allocations for the 2021 to 2022 funding year. Allocations will only include funding that will be earned between 1 August 2021 and 31 July 2022.

149. Before 1 May 2017 (under the old funding system)

149.1. For frameworks:

- identified apprentices that started before 1 May 2017, or restarts after the 1 May 2017 under the old funding system, and will still be in learning on 1 August 2021
- calculated the future cost of these apprentices including learner support.

149.2. For standards:

- identified apprentices that started before 1 May 2017, or restarts after the 1 May 2017 under the old funding system, and will still be in learning on 1 August 2021
- calculated the future cost of incentives and maths and English for these apprentices including learner support
- calculated the remaining value of government contributions not yet paid and converted this into a theoretical on-programme payment based on the planned end date.

150. With non-levy employers between 1 May and 31 December 2017 (under the new funding system)

- identified apprentices that started between 1 May and 31 December 2017 and will still be in learning on 1 August 2021
- calculated the future cost of these apprentices, including the cost of: maths and English, learning support, additional payments, disadvantage funding and the 16-18 framework uplift where appropriate
- used the 90% co-investment rate for programme aim funding except where exemptions apply as set out in the funding rules (for example, where the small employer waiver applies for eligible learners).

151. With non-levy employers between 1 January and 31 March 2018 (if you were offered a 3-month run-down extension as a result of being unsuccessful in the non-levy procurement)

- identified apprentices that started between 1 January and 31 March 2018 and will still be in learning on 1 August 2021; this applies only to providers unsuccessful in the procurement
- calculated the future cost of these apprentices, including the cost of: maths and English, learning support, additional payments, disadvantage funding and the 16-18 framework uplift where appropriate
- used the 90% co-investment rate for programme aim funding except where exemptions apply as set out in the funding rules (for example, where the small employer waiver applies for eligible learners).

152. We will then round these values up to the nearest £100 and added them together to calculate your allocation.

153. Our methodology will assume:

- all apprentices remain on programme until their planned end date and earn all on programme payments due
- there is no drop-out

- all apprentices achieve on their planned end date and earn their achievement payment on this date

154. We will apply a £3,000 minimum allocation. If you have an apprenticeships carry-in contract for the 2020 to 2021 funding year you will receive at least £3,000 unless you also received a £3,000 minimum allocation for the 2020 to 2021 funding year and have not used your allocation (as of your R10 data return).

155. We will run a business case process following allocations being issued to address any issues. More information will be available when allocations are issued in July 2021.

156. We will also review whether the value of your carry-in delivery exceeds your contract value in spring 2022 and will increase allocations in line with delivery if required.

157. Where necessary, we will allocate funds beyond 31 July 2022 to ensure you can continue to fund apprentices that have not completed their apprenticeship by then. We will let you know your carry-in allocation for the 2022 to 2023 funding year in the Summer of 2021.

158. Your apprenticeships carry-in allocations remain separate from:

- your procured non-levy apprenticeships contract value for starts between from 1 January 2018 and 31 March 2021 (if you were successful in the procurement)
- any funding you may be earning through the Apprenticeship Service

## Glossary

Term	Description
Carry-in	Apprentices or learners that started in the prior funding year where the contract has ended but we continue to pay for learners/apprentices that have not completed their programme.
Continuing learners	Learners that started in the prior funding year and did not complete or are continuing their programme into the following funding year.
Devolution of adult education functions	The devolution of adult education functions refers to the transfer of certain Secretary of State functions in the Apprenticeships, Skills, Children and Learning Act 2009 to specified Mayoral Combined Authorities by way of orders made under section 105A of the Local Democracy, Economic Development and Construction Act 2009, and the delegation of those functions to the Mayor of London under section 39A of the Greater London Authority Act 1999, in relation to their areas.
Disaggregation	A disaggregation is when providers (usually Colleges) separate into separate organisations. The proportion of the allocation that each separate organisation receives is usually agreed between the relevant parties and then allocations are adjusted by the ESFA.
Earnings adjustment statement (EAS)	The form providers need to fill in to claim funding that cannot be claimed through the Individualised Learner Record (ILR).
Financial year	The ESFA's financial year starts on 1 April and finishes on 31 March
Funding claim	Providers who are paid on profile (in instalments based a national profile rather than actual delivery) must submit three funding claims each year to tell us how much they expect to delivery and how much they actually delivered at the end of the year. For more information see the <a href="#">ESFA funding claims and reconciliation</a> page.



Funding year	The ESFA's adult funding year start on 1 August and finishes on 31 July.
Funding agreement (or contract)	The agreement between the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA) and providers who receive funding for education and skills training
Individualised learner record (ILR)	The primary data collection requested from learning providers for further education and work-based learning in England. The government uses this data to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education
Learner support	Funding to enable providers to support learners with a specific financial hardship that might prevent them from being able to start or complete their learning.
Learning support	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
Merger	A merger is when two or more providers (usually Colleges) join together to form one organisation. We combine all of the separate allocations into the continuing provider's allocation.
Non-formula community learning funding	Where applicable, providers receive a non-formula funded community learning allocation' as part of their AEB which is paid on a monthly profile. Submission of ILR data does not generate a funding value for the learning aim/s a learner participates on. Instead, providers attribute costs up to the value of their non-formula community learning allocation. Providers submit community learning data through funding model 10.
National affordability factor	This is a percentage we apply to allocations calculations to ensure the total amount allocated to all providers is within the budget available and the budget is shared equally amongst all providers.

Ofqual	The Office of Qualifications and Examinations Regulation, which regulates qualifications, examinations, and assessments in England
Register of training organisations (the Register)	A register that provides assurance on organisations that deliver non-apprenticeship education and training services funded by the ESFA, or subcontractors with an aggregated contract value of £100,000 or more in our non-apprenticeship supply chain. Organisations apply to enter the register by completing our market-entry pre-qualification process, which includes due diligence questions and testing of capacity and capability
Virement	The process of moving money from one contract period or budget to a different one.



Education & Skills  
Funding Agency

© Crown copyright 2021

This publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/3](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3) email [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk) write to  
Information Policy Team, The National Archives, Kew, London, TW9  
4DU

About this publication:

enquiries [www.education.gov.uk/contactus](http://www.education.gov.uk/contactus)  
download  
[www.gov.uk/government/publications](http://www.gov.uk/government/publications)



Reference:

Follow us



on Twitter: Like us on Facebook:

[@educationgovuk](https://twitter.com/educationgovuk)

[facebook.com/educationgovuk](https://facebook.com/educationgovuk)