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Guidance

AEB devolution: 2022 to 2023

Published 13 September 2023

Applies to England

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What the AEB funds

Adult education is funded by:

- [devolved authorities](#)
- the Education and Skills Funding Agency (ESFA) in [non-devolved authorities](#)

The Department for Education (DfE) retains the power to specify which qualifications are statutory entitlements in devolved as well as non-devolved authorities.

The AEB fully funds 4 statutory entitlements for eligible adult learners. These are:

- English and maths up to and including level 2 for learners aged 19 and over who have not previously attained a GCSE grade A* to C or a grade 4 or higher
- a first full qualification at level 2 for learners aged 19 to 23
- a first full qualification at level 3 for learners aged 19 to 23
- essential digital skills qualifications up to and including level 1 for learners aged 19 and over who have digital skills assessed as being below level 1

It also funds:

- traineeships for learners aged 19 to 24 to provide them with the skills and experience to progress to:
 - an apprenticeship
 - sustainable work
- community learning for adults of all ages to:
 - develop their skills
 - build their confidence, motivation and resilience
 - enable them to take up further learning or employment
 - improve their health and wellbeing
 - help them contribute to their community
- learning or learner support to overcome barriers that prevent individuals from taking part in education
- courses in English for speakers of other languages

How the devolved AEB is managed

DfE has devolved the AEB to 9 mayoral combined authorities (MCAs) and the Greater London Authority (GLA). It publishes [grant letters](#) setting out the details of the payments made to the MCAs annually by non-ring-fenced transfer under [section 31 of the Local Government Act 2003](#). The grant to the Mayor of London (acting, where appropriate, through the GLA) was transferred under [section 39A of the Greater London Authority Act 1999](#).

[Statutory guidance](#) on the exercise of adult education functions and the associated budget is available. [Memoranda of understanding \(MoU\)](#) set out the agreed ways of working.

In March 2023, the Department for Levelling Up, Housing and Communities published the [English devolution accountability framework](#), which sets out the mechanism to oversee all English institutions with devolved funding powers. The framework applies to regions with both existing devolution deals and new deals.

Managing AEB enquiries

DfE or ESFA, as appropriate, is responsible for responding to enquiries and complaints from providers, other stakeholders and learners about an ESFA-funded AEB and its administration. The MCA or GLA is responsible for responding if an AEB is devolved.

Devolved authorities' responsibilities

In line with the [delegation agreement](#) and [statutory guidance](#), devolved authorities must:

- have regard to guidance issued by the Secretary of State
- adopt learner eligibility rules for awards by any institution to which it makes grants, loans or other payments, in accordance with any direction given by the Secretary of State
- ensure funding for and access to statutory entitlements for eligible learners in their region

Devolved authorities are responsible for commissioning and contracting adult education provision in their area. They:

- manage and are accountable for the funds transferred to them
- allocate those funds in line with their procurement requirements and the appropriate legal regulations
- establish their funding priorities according to their local skills improvement plan
- publish their funding and performance-management rules
- determine their contracting and conditions-of-funding arrangements
- set their funding rates and payment arrangements

- manage providers with which they have a contract and a funding agreement

Providers' responsibilities

Although devolved authorities decide which providers will deliver adult education for learners who live in their region, providers are responsible for ensuring those learners:

- are eligible for AEB funding
- have a funding agreement

A provider can check which body will be funding an eligible learner using the [devolution postcode data set](#).

Providers must comply with the [post-16 audit code of practice](#), and the requirements of the devolved authority, including its conditions of funding and performance management rules.

DfE's oversight of providers

The guidance on [college oversight](#) sets out how we will work with colleges to identify, at an early stage, any financial and quality issues that might hinder its success. It sets out the support available from DfE, ESFA and the Further Education Commissioner. If DfE has concerns about financial management or governance, it may issue a [notice to improve](#).

Guidance on [how independent training providers are overseen](#) and [how allegations of suspected fraud or financial irregularity are handled](#) explains what ESFA will do to address the risk of failure, protect learners and ensure public funds are not wasted.

When intervention is likely, DfE, ESFA and the devolved authority, as funding stakeholders, will engage in dialogue. How and when this takes place will vary according to the type of provider concerned, the issues and risks involved, and the scale of the funding interest of the respective parties.

Data sharing agreement

To fulfil our oversight functions, DfE has agreed with devolved authorities to share information on a national basis, in line with appropriate data sharing mechanisms and the [memoranda of understanding](#).

We review, agree and update the data sharing agreement every year to ensure the data being

shared is:

- consistent
- safe
- secure

The agreement sets out the specific data ESFA shares with the devolved authorities and the timetable for its provision, and aims to support those authorities to develop their operational processes and strategic planning. The data includes participation, audit and assurance datasets.

Audit, assurance, fraud and investigations arrangements

DfE and ESFA remain responsible for providing appropriate assurance in relation to the funding they provide. ESFA will continue to deliver its programme of assurance on ESFA funding.

DfE and the devolved authorities share annual statements on an April-to-March financial year basis that set out assurances over providers and, in line with the [post-16 audit code of practice](#), the approach taken to obtain them.

In line with the data sharing arrangement, after we have informed the providers themselves, we will share with devolved authorities providers' financial health grades and other key performance indicators. We will also inform a devolved authority if we suspect fraud or financial irregularity, or receive allegations about the misuse of AEB funding. We have agreed that these arrangements will be reciprocal.

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