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[Department
for Education](#)

Guidance

Adult skills fund: funding and performance management rules 2024 to 2025

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Applies to England

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The Education and Skills Funding Agency (ESFA) closed on 31 March 2025. All activity has moved to the Department for Education (DfE). You should continue to follow these rules.

Introduction to the adult skills fund

In the response to the Department for Education (DfE)'s consultation [‘Skills for jobs: implementing a new further education funding and accountability system’](#) published in July 2023, the Education and Skills Funding Agency (ESFA) funded adult skills fund (ASF) has replaced the ESFA funded adult education budget (AEB).

The purpose of ASF is to support adult learners in non-devolved areas to gain skills which will lead them to meaningful, sustained and relevant employment, or enable them to progress to further learning which will deliver that outcome.

Within ASF, further provision for tailored learning is available that supports wider outcomes such as to improve health and wellbeing, equip parents/carers to support their child's learning and develop stronger communities.

This is version 2 of the new ASF funding rules 2024 to 2025. We recommend that providers review the whole guidance.

We have published the [ASF funding rates and formula guidance for 2024 to 2025](#). This contains details of how providers will earn their funding.

What's new in the ASF funding rules for 2024 to 2025

This section sets out the main changes to the rules and when we made them.

July 2024

Section 2:

- English and maths entitlement will fully fund learners who have previously attained the qualifications and are currently assessed below grade 4
- we have updated the unemployment section to make it clearer
- job outcomes payments for grant funded providers earnings method principles have changed from August 2024. Please refer to the [adult skills funding rates and formula guidance](#)
- tailored learning updated for grant providers: an additional allocation for tailored learning will be available to all grant funded providers
- free courses for jobs (FCFJ): learners aged 19 to 23 and who are above the earnings threshold and have not achieved a level 3 can be fully funded

Section 3:

- new section for performance management rules
- as [confirmed in October 2023](#) the over-delivery threshold for FCFJ returns to 110%

June 2024

Section 1:

- those with indefinite leave to remain must meet the 3-year residency rule unless they are a victim of domestic abuse or a bereaved partner
- colleges must ensure visa holders can complete their course when the visa is due to expire
- learners should remain in England throughout their learning. Providers will not have the discretion to continue funding where a learner is outside the country even in temporary/emergency circumstances
- minor clarification for family members to ensure it is clear that where a family member of someone with a particular status is made exempt from the 3-year ordinary residence requirements, that family relationship (for example, marriage) must have already existed at the time the relevant immigration status was granted

Section 2:

- introduction of the earnings threshold for policy entitlements
- ASF no longer uses prior attainment as an eligibility criterion for the policy entitlements. Learners can be fully funded if they meet the residency eligibility criteria, are aged 19 and over and earn below the earnings threshold or are unemployed
- tailored learning has replaced community learning and formula funded non-regulated learning. The offer also includes employer-led provision

Purpose of the guidance

This guidance applies to all providers that receive ESFA funded ASF from the Secretary of State for Education for the 2024 to 2025 funding year (1 August 2024 to 31 July 2025).

The funding rules set out the conditions of funding in accordance with [section 101 of the Apprenticeships Skills Children and Learning Act 2009](#) and [section 16 of the Education Act 2002](#).

These rules do not apply to:

- apprenticeships
- advanced learner loans
- Skills Bootcamps
- Multiply
- education and training services funded by the European Social Fund (ESF)/HMT Guarantee
- individuals resident in a [devolved authority area](#), unless they meet the criteria for continuing learners in the [who we fund section](#)

This guidance forms part of the terms and conditions of funding and you must read them in conjunction with your funding agreement. You must operate within the terms and conditions of the funding agreement, these rules, rates and formula and the individualised learner record (ILR) specification. If you do not, you are in breach of your funding agreement with us.

Definitions and the [glossary](#) are included to assist in understanding the terminology and explain technical terms. We may make changes to these rules at any time.

Understanding the terminology

The term ‘we’ refers to the Secretary of State for Education, acting through ESFA, an executive agency sponsored by DfE.

When we refer to ‘you’ or ‘providers’, this includes colleges, higher education institutions, training organisations, local authorities and employers who receive ESFA funded ASF from us to deliver education and training to learners set out in the [who we fund section](#).

We will use the generic term ‘you’ or ‘provider’ unless the requirements only apply to a specific provider type. We use the term ‘funding agreement’ to include:

- accountability agreement conditions of funding (grant)
- contract for services
- conditions of funding (grant) – employer

We use the terms ‘individual’ and ‘learner’ to cover those whose provision is funded by us.

When we refer to ‘ESFA funded ASF’ this is funding you can claim from us for delivery of ASF provision to learners set out in the [who we fund section](#).

Both the transfer of the functions to the specified combined authorities and the delegation of those functions in relation to the Mayor of London are referred to in this guidance as the devolution of adult education. Please also refer to [annex B: devolution of adult education functions](#).

We use the term ‘provision’ or ‘learning’ or ‘learning aims’ to refer to ESFA funded ASF, whether it is a regulated qualification or other learning that is not regulated.

If we refer to ‘qualifications’, they will be from the Regulated Qualifications Framework (RQF) or an Access to Higher Education Diploma recognised and regulated by the Quality Assurance Agency (QAA).

If we refer to ‘learning aims’, we mean a single episode of learning which could be a regulated qualification, a component of a regulated qualification or non-regulated learning.

If we refer to ‘programmes’, we mean a coherent package of learning which may include regulated qualifications, components of regulated qualifications or non-regulated learning with clearly stated aims supporting agreed outcomes.

We may refer to this guidance as ‘funding rules’ or ‘the rules’.

Contact us

If you have any questions after reading our funding rules, or if there’s anything else you need help with, you can find more support in our [customer help centre](#). You

can also contact your DfE case manager.

Section 1 – General funding requirements

Principles of funding

These rules apply in relation to all learners starting new ASF learning aims on or after 1 August 2024 and continuing learners as referenced in the [who we fund section](#).

Funding must be earned in the way set out in the specific funding agreement, and funding rules related to that funding. You will not be paid for over-delivery from the under-delivery on your other allocations that include:

- ASF
- 19 to 24 continuing traineeship programmes
- level 3 FCFJ
- apprenticeships
- advanced learner loans bursary fund
- advanced learner loan facility
- Skills Bootcamps
- Multiply
- ASF funding received from devolved budgets to combined authorities

We will review and monitor whether the ASF provision you provide represents good value for money. If we consider that funding is significantly more than the cost of providing education and training, we may reduce your funding after consulting with you.

Failure to comply with funding rules could lead to action or intervention. Our policies and guidance about the oversight of providers are set out in published information:

- [college oversight: support intervention](#)
- [how ESFA maintains oversight of independent training providers](#)

The triggers for action and the type of action we may take is set out in these documents. This is in accordance with provisions in our education and skills agreements, funding agreements and contracts:

- [ESFA education and skills agreements and accountability agreements: 2024 to 2025](#)
- [ESFA funding agreements and contracts: 2024 to 2025](#)

Who we fund

We will fund:

- individuals resident in areas of England outside of devolved authority areas undertaking ASF
- continuing learners who are resident in devolved authority areas, who have not completed their learning by 31 July 2024, but started their learning before the authorities' devolution date with providers that have an education and skills funding agreement (grant) only

Residency

You must check the eligibility of a learner, including where in England they are resident, at the start of each learning aim and only claim funding for ASF for eligible learners. Please refer to the [glossary](#) definition of 'learner residency' and the devolution [postcode checker data set](#).

Age

On the first day of learning, a learner must be aged 19 or older on 31 August within the 2024 to 2025 funding year to be ESFA funded.

The age of the learner on 31 August in the funding year determines whether the learner is funded through the [funding methodology](#) (for individuals aged 19 and over) or the [16 to 19 year olds funding methodology](#) (for individuals aged 16 to 19 and those aged 19 to 24 with an education, health and care (EHC) plan).

All individuals aged 19 or over on 31 August who are continuing a programme they began aged 16 to 18 ('19+ continuers') will be funded through the [16 to 19 year olds funding methodology](#).

Duration

Learners will be eligible for ASF for the whole of the learning aim or programme if they are eligible for funding at the start, even if the duration is for over one year. You must reassess the learner for any further learning they start.

Potential issues

If an individual starts a learning aim or programme and is not eligible for funding, we will not fund their learning while they remain ineligible.

You must not fund a learner who is unable to complete a learning aim or programme of study in the time they have available.

Residency eligibility

Individuals will be eligible for ASF if they meet the criteria in the [who we fund section](#), the learning is taking place in England and they fulfil the residency requirements set out in one or more of the categories below.

Unless otherwise stated, individuals must be ordinarily resident in the UK on the first day of learning to meet the residency requirements.

Learners who live in Wales, Scotland or Northern Ireland

Wales, Scotland and Northern Ireland have their own funding arrangements. If you are planning to deliver a significant quantity of learning to learners who do not live in England, you must develop arrangements with the relevant devolved administration. You must not actively recruit learners who live or work outside of England. Providers located close to the borders can deliver ASF to learners who are not resident in England but reside in their catchment area. Delivery must take place in England. We do not expect these numbers to be significant.

We will fund an individual who does not live in England if specialist skills training is only available in England and the individual wants to travel to, or live in, England to study or learn. We do not expect these numbers to be significant.

We will fund individuals for learning that is delivered at an employee's workplace, whose main employment or normal place of work is in England.

We will fund individuals who live in Scotland, Wales and Northern Ireland who require and are eligible for ASF, and work for a UK-based employer. Delivery must

take place in England. We do not expect these numbers to be significant.

Temporary residence in the UK for educational purposes

People who have been temporarily resident in the UK solely for the purposes of receiving full-time education would not be deemed ordinarily resident in the UK. This includes, but is not limited to, learners on a student visa. These individuals are therefore not eligible for funding unless they meet one of the other eligibility criteria.

Temporary absences from the UK

Learners who are temporarily outside of the UK for reasons such as education, employment or a gap year, but remain settled in the UK, can count this time outside the UK towards their 3 years ordinary residence.

Where learners move outside the UK during their course, you must cease funding them. This applies also to distance learning – you should only fund distance learners who meet the residency criteria, and you should expect that they remain in the UK for the duration of their course even if no attendance at a physical location is required. If a learner is temporarily absent from the UK, for example for a family event, for a short period, for example a week or less, then they may continue their distance learning course while overseas. If they will be absent for a longer period then you should not fund them to continue their learning while overseas.

British armed forces, MoD personnel or civil crown servants on postings outside of the UK, and any of their family members who have been outside the UK to join them on these postings, can be treated as ordinarily resident in the UK. You may continue to fund them despite the above restriction on funding learners outside the UK, and they can count time abroad on these postings towards the 3 year ordinary residence requirement.

People who are resident in England but work outside England can also be treated as ordinarily resident in the UK.

Individuals resident in areas of England outside of devolved authority areas and who work outside of England as part of their job are eligible for ASF, as long as some of the learning takes place in England. You cannot claim for the additional expense of delivering learning outside of England.

Learners who have applied for an extension or variation of their immigration permission

Any person who has applied for an extension or variation of their current immigration permission in the UK is still treated as if they have that leave. This only applies if the application was made before their current permission expired. Their leave continues until the Home Office decides on their immigration application. Their leave will continue where they have appealed or sought an administrative review of their case within the time allowed to them for doing so.

Therefore, a person is considered to still have the immigration permission that they held when they made their application for an extension, administrative review or appeal, and their eligibility would be based on this status.

Learners with limited length visas

Providers must not fund learners who would not have enough time on their visa to complete their course and who do not intend to, or would not be eligible to, renew their visa. Where a course continues past a learner's visa expiry date, providers may at their discretion fund that learner only where they have a high degree of certainty that a learner intends to (and will be eligible to) renew their visa.

As the Home Office moves to a fully online system from January 2025, individuals may have an expiry date of no later than December 2024, which may not accurately reflect the actual expiry of their leave to remain. In order to evidence their immigration status, individuals registered on [view and prove your immigration status](#) will have a share code which the provider can use to confirm the residency status.

Learners will have an eligible residency status if they meet the conditions laid out in one of the following sections:

UK nationals and other persons with right of abode

UK nationals or other persons with a right of abode^{[\[footnote 1\]](#)} have an eligible residency status if they have been ordinarily resident in the UK, Republic of Ireland, the British Overseas Territories or the Crown Dependencies (Channel Islands and Isle of Man) for at least the previous 3 years on the first day of learning.

All family members of UK nationals and other persons with right of abode must meet the 3 year required residency eligibility criteria in their own right, unless they

meet the criteria in the section entitled ‘UK nationals in the European Economic Area (EEA) and Switzerland’, or the criteria in the section entitled ‘family members of an eligible person of Northern Ireland’.

The British Overseas Territories are listed in [annex A](#).

UK nationals in the EEA and Switzerland

UK nationals who have resided in the EEA, Switzerland or EU overseas territories have an eligible residency status if they:

- resided in the EEA or Switzerland, EU overseas territories or Gibraltar by 31 December 2020 (or resided in the UK, having moved to the UK from the EEA, Switzerland, EU overseas territories or Gibraltar after 31 December 2017), and
- resided in the EEA, Switzerland, EU overseas territories, Gibraltar or the UK for at least the previous 3 years on the first day of learning, and
- remained ordinarily resident in the UK, Gibraltar, the EEA, Switzerland or EU overseas territories between 31 December 2020 and the start of the course and
- the course starts before January 2028^{[\[footnote 2\]](#)}

Family members of UK nationals, where both the UK national and the family member have resided in the EEA, Switzerland or EU overseas territories, have an eligible residency status if:

- both the UK national and the family member resided in the EEA, Switzerland or EU Overseas Territories by 31 December 2020 (or resided in the UK, having moved there from the EEA, Switzerland or EU Overseas Territories after 31 December 2017), and
- both the UK national and the family member remained ordinarily resident in the UK, the EEA, Switzerland or EU Overseas Territories between 31 December 2020 and the start of the course
- the UK national to whom they are a family member has been ordinarily resident in the UK, EEA, Switzerland or EU Overseas Territories for at least 3 years on the first day of the first academic year of the course
- the course starts before January 2028

A ‘family member’ for these purposes is either:

- the husband, wife, civil partner of the UK national (principal) or
- the child, grandchild, spouse/civil partner’s child or spouse/civil partner’s grandchild of the UK principal who is either:
 - under 21, or
 - dependant on the principal and/or his/her spouse/civil partner

The EEA includes all the countries and territories listed in [annex A](#).

EEA and Switzerland nationals in the UK

EEA and Switzerland nationals have an eligible residency status if they have obtained either pre-settled or settled status under EU Settlement Scheme (EUSS) and have lived continuously in the EEA, Switzerland, Gibraltar or the UK for at least the previous 3 years on the first day of learning.

The EEA includes all the countries and territories listed in [annex A](#).

Although the deadline for most people to apply to EUSS was 30 June 2021, there may be individuals who have reasonable grounds for making a late application to EUSS and there may also be some individuals who have made an EUSS application on time but are still waiting on a final decision on their status from the Home Office, including those that have lodged an appeal. Once a valid application has been made to EUSS (evidenced by receipt of a certificate of application), the applicant will have temporary protection, pending the outcome of that application.

EEA and Switzerland frontier workers

An EEA or Switzerland frontier worker is someone who is employed or self-employed in the UK who resides in the EEA or Switzerland and returns to that residence in the EEA or Switzerland at least once a week.

Frontier workers, and their family members, have an eligible residency status if they have been ordinarily resident in the UK, EEA and/or Switzerland for at least the previous 3 years on the first day of learning.

A 'family member' of an EEA frontier worker for these purposes is either:

- the husband, wife, civil partner of the EEA frontier worker ('principal') or
- the dependant parent or grandparent of the principal or of the principal's spouse/civil partner or
- the child, grandchild, spouse/civil partner's child or spouse/civil partner's grandchild of the principal who is either:
 - under 21, or
 - dependant on the principal and/or the principal's spouse/civil partner

A 'family member' of a Swiss frontier worker for these purposes is either:

- the husband, wife, civil partner of the Swiss frontier worker ('principal') or

the child or spouse/civil partner's child of the principal

Unlike other categories, a frontier worker or their eligible family member does not have to be resident in the UK on the first day of learning in order to have an eligible residency status.

Family members of EEA or Swiss nationals

A family member of an EEA or Swiss national is eligible for funding if:

- where required to do so, they have obtained pre-settled or settled status under EUSS and
- the EEA or Swiss national (principal) has obtained pre-settled or settled status under EUSS and has been ordinarily resident in the UK, EEA and/or Switzerland for at least the previous 3 years on the first day of learning

Family members of an EEA or Swiss national can apply to EUSS after 30 June 2021 if they are joining them in the UK on or after 1 April 2021. They have 3 months to apply to EUSS from the date they arrive in the UK. They will have temporary protection and therefore be eligible for funding during those 3 months and pending the outcome of any EUSS application made during that period (and of any appeal). More information on [applying to join a family member in the UK](#) can be found on GOV.UK.

A 'family member' for these purposes is either:

- the husband, wife or civil partner of the EEA national (principal) or
- the dependant parent or grandparent of the principal or of the principal's spouse/civil partner or
- the child, grandchild, spouse/civil partner's child or spouse/civil partner's grandchild of the EEA principal who is either:
 - under 21, or
 - dependant on the principal and/or his/her spouse/civil partner

Irish citizens in UK or Republic of Ireland

Irish citizens in the UK or Republic of Ireland have an eligible residency status if they have been ordinarily resident in the UK and Islands, and/or Republic of Ireland for at least the previous 3 years on the first day of learning.

Irish citizens in EEA and Switzerland

Irish citizens have an eligible residency status if they:

- resided in the EEA or Switzerland by 31 December 2020 (or resident in the UK, having moved to the UK from EEA or Switzerland after 31 December 2017), and
- resided in the EEA, Switzerland, Gibraltar or the UK for at least the previous 3 years on the first day of learning and
- remained ordinarily resident in the UK, Gibraltar, the EEA or Switzerland between 31 December 2020 and the start of the course and
- are on a course which starts before January 2028

The EEA includes all the countries and territories listed in [annex A](#).

Other non-UK nationals

Non-UK nationals have an eligible residency status if they have been ordinarily resident in the UK and Islands for at least the previous 3 years on the first day of learning and:

- have permission granted by the UK government to live in the UK and such permission is not for educational purposes only, or
- have obtained pre-settled or settled status under EUSS

Family members of an eligible person of Northern Ireland

Family members of an eligible person of Northern Ireland^{[\[footnote 3\]](#)} have an eligible residency status if:

- they have been living in the UK by 31 December 2020, and
- they have obtained pre-settled or settled status under EUSS, and
- the eligible person of Northern Ireland (principal) has been ordinarily resident in the UK by 31 December 2020, for at least the previous 3 years on the first day of learning

A 'family member' for these purposes is either:

- the husband, wife or civil partner of the person of Northern Ireland (principal) or
- the dependant parent or grandparent of the principal or of the principal's

spouse/civil partner or

- the child, grandchild, spouse/civil partner's child or spouse/civil partner's grandchild of the principal who is either
 - under 21, or
- dependant on the principal and/or his/her spouse/civil partner

Long residence

A person who, on the first day of learning, has lived in the UK half their life or a period of 20 years or more, where this period of residence is ongoing, has an eligible residency status.

Learners may be able to prove this status via a confirmed entry date from Immigration Control, verified by the Home Office. Alternatively, they may provide evidence that they have been living in the UK for the period in question. This should ideally be from an official and independent source. Examples could include a signed letter on headed paper from someone in a leadership position at the school they attended, a letter from their GP, wage slips or a P45/P60. Providers funding learners under this category should obtain enough evidence to assure themselves beyond reasonable doubt that the learner was living in the UK for the necessary period.

Individuals with certain types of immigration status and their family members

Individuals with any of the statuses listed below, or leave under the listed schemes, has an eligible residency status and is exempt from the 3-year residency requirement rule. In relation to these categories, you must have seen the learner's immigration permission. This would include the biometric residence permit and/or an accompanying letter from the Home Office describing their status.

Refugee status

Individuals with refugee status, where they have been ordinarily resident in the UK and Islands throughout the period since they were given leave to enter or remain in the UK.

Family members of individuals with refugee status, as defined below:

- the spouse or civil partner of a person with refugee status is eligible if all of the

following apply:

- they were the spouse or civil partner of the person on the asylum application date, and
 - have been ordinarily resident in the UK and Islands throughout the period since they were given leave to enter or remain
- the child of a person with refugee status, or of the person's spouse or civil partner, is eligible if all of the following apply:
 - they were the person with discretionary leave's child or the child of the person's spouse or civil partner on the asylum application date, and
 - they were under 18 on the asylum application date, and
 - they have been ordinarily resident in the UK and Islands since they were given leave to enter or remain

Humanitarian protection status

Individuals with humanitarian protection status, where they have been ordinarily resident in the UK and Islands throughout the period since they were given leave to enter or remain in the UK.

The family members of individuals with humanitarian protection status, as defined below:

- the spouse or civil partner of a person granted humanitarian protection is eligible if all of the following apply:
 - they were the spouse or civil partner of the person on the asylum application date, and
 - have been ordinarily resident in the UK and Islands throughout the period since they were given leave to enter or remain in the UK
- the child of a person with humanitarian protection status to enter or remain, or of the person's spouse or civil partner, is eligible if:
 - they were the person with humanitarian protection status's child or the child of the person's spouse or civil partner on the asylum application date, and
 - were under 18 on the asylum application date, and
 - have been ordinarily resident in the UK and Islands since they were given leave to enter or remain

Discretionary leave to enter or remain

Individuals with discretionary leave to enter or remain, where they have been ordinarily resident in the UK and Islands throughout the period since they were

given leave to enter or remain in the UK.

- the spouse or civil partner of a person granted discretionary leave to enter or remain is eligible if all of the following apply:
 - they were the spouse or civil partner of the person on the asylum or leave application date, and
 - they have been ordinarily resident in the UK and Islands throughout the period since they were given discretionary leave to enter or remain in the UK
- the child of a person with discretionary leave to enter or remain, or of the person's spouse or civil partner, is eligible if:
 - they were the person with discretionary leave's child or the child of the person's spouse or civil partner on the asylum or leave application date, and
 - they were under 18 on the asylum or leave application date, and
 - they have been ordinarily resident in the UK and Islands since they were given discretionary leave to enter or remain

Extant leave to remain as a stateless person

Individuals who have extant leave to remain as a stateless person, where they have been ordinarily resident in the UK and Islands throughout the period since they were granted such leave.

Family members of individuals with extant leave to remain as a stateless person, as defined below:

- the spouse or civil partner of a person granted stateless leave is eligible if all of the following apply:
 - they were the spouse or civil partner of the person on the leave application date, and
 - they have been ordinarily resident in the UK and Islands throughout the period since they were given leave to enter or remain in the UK
- the child of a person with stateless leave, or of the person's spouse or civil partner, is eligible if:
 - they were the person with stateless leave's child or the child of the person's spouse or civil partner on the leave application date, and
 - they were under 18 on the leave application date, and
 - they have been ordinarily resident in the UK since they were given leave to enter or remain

Leave outside the immigration rules

Individuals with leave outside the immigration rules, where they have been ordinarily resident in the UK and Islands throughout the period since they were given leave to enter or remain in the UK.

The spouse or civil partner of a person granted leave outside the rules is eligible if all of the following apply:

- they were the spouse or civil partner of the person on the asylum or leave application date, and
- they have been ordinarily resident in the UK and Islands throughout the period since they were given leave to enter or remain in the UK

The child of a person with leave outside the rules, or of the person's spouse or civil partner, is eligible if:

- they were the person with leave outside the rules' child or the child of the person's spouse or civil partner on the asylum or leave application date, and
- they were under 18 on the asylum or leave application date, and
- they have been ordinarily resident in the UK since they were given leave to enter or remain

Ukraine schemes

Individuals with leave to enter or remain in the UK under one of the Ukraine schemes listed below.

The husband, wife, civil partner or child of a person granted leave under one of the Ukraine schemes listed below.

The following are the 'Ukraine schemes' eligible:

- Ukraine Family Scheme
- Ukraine Sponsorship Scheme (Homes for Ukraine)
- Ukraine Extension Scheme
- Ukraine Permission Extension Scheme

As stated in the link [learners with section on limited length visas](#) section, a learner can still be funded even if their visa does not cover the full duration of the course, if the provider has a high degree of certainty that the learner intends to apply for, and be eligible to receive, further permission to remain in the UK for the duration of their course. Learners who currently have permission under one of the Ukraine schemes **and** intend to apply for the Ukraine Permission Extension Scheme (or have applied but not yet had permission granted) may be treated as eligible on that basis.

Afghan schemes

Persons granted leave under one of the Afghan schemes:

- individuals with leave to enter or remain in the UK under the Afghan Citizens Resettlement Scheme (ACRS)
- individuals with leave to enter or remain in the UK under the Afghan Relocations and Assistance Policy (ARAP)
 - some individuals with this leave to enter or remain may have the Afghan Locally Employed Staff (ALES) ex-gratia scheme (see below) listed on their biometric residence permit. They should be able to provide other documentation detailing that their leave is under ARAP
- British Nationals evacuated from Afghanistan under Operation Pitting
- British Nationals evacuated from Afghanistan by the UK government before 6 January 2022

Persons granted leave under the ALES ex-gratia scheme must meet the 3 year ordinary residence requirements, and are **not exempt**.

Indefinite leave to remain as a bereaved partner or victim of domestic abuse

Individuals with indefinite leave to remain or enter, granted only:

- as a victim of domestic abuse where they have been ordinarily resident in the UK since they were given leave to remain or enter^{[\[footnote 4\]](#)}
- as a bereaved partner, where they have been ordinarily resident in the UK since they were given leave to remain or enter^{[\[footnote 5\]](#)}

Individuals granted indefinite leave to remain for any other reason must meet the 3 year ordinary residence requirement to be eligible.

Other forms of leave

Individuals with leave to remain or enter granted:

- under section 67 of the Immigration Act 2016 leave^{[\[footnote 6\]](#)}
- under Calais leave to remain^{[\[footnote 7\]](#)}

British Indian Ocean Territory

British citizens who were born in the British Indian Ocean Territory or, prior to 8 November 1965, in those islands designated as the British Indian Ocean Territory on that date, or are direct descendants (such as a child, grandchild, great-grandchild and so on) of a person who was born in the British Indian Ocean Territory or, prior to 8 November 1965, in those islands designated as the British Indian Ocean Territory on that date.

Children of Turkish workers

A child of a Turkish worker is eligible if both the following apply:

- the Turkish worker is ordinarily resident in the UK on or before 31 December 2020 and has Turkish European Community Association Agreement (ECAA) rights or extended ECAA leave and
- the child has been ordinarily resident in the UK, EEA and/or Turkey for at least the previous 3 years on the first day of learning and is resident in the UK on or before 31 December 2020

Asylum seekers

Asylum seekers are eligible to receive funding if they:

- have lived in the UK for 6 months or longer while their claim is being considered by the Home Office, and no decision on their claim has been made, or
- are receiving local authority support under [section 23C of the Children Act 1989](#) or [section 23CA of the Children Act 1989](#) or the [Care Act 2014](#)

An individual who has been refused asylum will be eligible if:

- they have appealed against a decision made by the UK government against granting refugee status and no decision has been made within 6 months of lodging the appeal, or
- they are granted support for themselves under [section 4 of the Immigration and Asylum Act 1999](#), or
- are receiving local authority support for themselves under [section 23C of the Children Act 1989](#) or [section 23CA of the Children Act 1989](#)

No recourse to public funds conditions

The learner's immigration permission in the UK may have a 'no recourse to public funds' condition. Public funds does not include education or education funding. Therefore, this does not affect a learner's eligibility, which must be decided under the normal eligibility conditions.

Individuals who are not eligible for funding

You must not claim funding for individuals who do not meet the eligibility criteria set out in the [residency eligibility section](#). Examples of individuals who do not meet the eligibility criteria include the following. Please note this list is not exhaustive:

- those who are here without authority or lawful status
- those who are resident in the UK on a student visa unless they are eligible through meeting any other of the categories described above
- those who are in the UK on holiday, with or without a visa
- any family member of a person granted a student visa, who have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous 3 years on the first day of learning
- those whose biometric residence permit or residence permit imposes a study prohibition or restriction on the individual

Learners in the armed forces

British armed forces personnel, Ministry of Defence personnel or civil and crown servants resident in England, who meet the criteria in the [who we fund section](#), are eligible for ESFA funded ASF where learning takes place in England.

Members of other nations' armed forces stationed in England, and their family members, aged 19 and over, are eligible for ESFA funded ASF, set out in the [who we fund section](#), if the armed forces individual has been ordinarily resident in England for the previous 3 years on the first day of learning. We will not fund family members that remain outside of England.

Fees and charging

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 legal entitlement to full funding for their learning. Direct costs include any essential activities or materials without which the learner could not complete and achieve their learning.

If a fully funded learner needs a disclosure and barring service (DBS) 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.

Qualifying days for funding

A learner must be in learning for a minimum number of days between their learning start date and learning planned end date before you can earn funding, including learning support. You can access this information in the [funding rates and formula guidance](#).

This does not apply where the learner achieves the learning aim.

Recognition of prior learning (RPL)

A learner could have prior learning or attainment that has been previously accredited by an awarding organisation or could be formally recognised and count towards achievement of a qualification. If this is the case, you must:

- reduce the funding amount claimed for the qualification aim by the percentage of learning the learner does not need
- follow the policies and procedures set by the awarding organisation regarding recognition of prior learning, including any restrictions concerning where RPL or prior attainment may not be applied
- ensure you have a robust internal RPL policy and appropriate resources to deliver RPL

We would not expect RPL or prior attainment to be used against the whole qualification, this is exemption rather than RPL.

You must not use prior learning to reduce funding for:

- English and maths qualifications up to and including level 2 or
- essential digital skills qualifications up to and including level 1

If a learner enrolls on an advanced subsidiary (AS) level qualification followed by an A level, you must reduce the funding claimed for the A level to take account of

the prior study of the AS level and record this in the 'funding adjustment for prior learning' field in the ILR. More information is available in our [ILR guidance](#).

Breaks in learning

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

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

You must record the date a learner starts a break in learning and the date they restart their learning in the ILR. Further guidance on recording breaks can be found in the [ILR provider support manual](#).

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. When the learner returns to learning, you must re-plan and extend the remaining delivery as required.

You must not use a break in learning for short-term absences, such as holidays or short-term illness.

What we will not fund

We will not fund:

- qualifications, units or learning aims that are not listed on [find a learning aim](#) or on the [DfE list of qualifications approved for funding](#)
- provision to learners in custody – the [Ministry of Justice](#) funds prison education in England. Please note you can use your ESFA funded ASF to fund individuals released on temporary licence
- end-point assessment outside of apprenticeship standards, which is subject to Ofqual external quality assurance and regulated as a qualification
- any part of any learner's learning aim or programme that duplicates provision they have received from any other source
- training through ESFA funded ASF, where a learner is undertaking an apprenticeship and where that training will:
 - replicate vocational and other learning aims covered by the apprenticeship standard or framework, including English and maths
 - approved English and/or maths qualifications which are required for an apprentice to complete their apprenticeship, where an apprentice does not

already hold a suitable equivalent qualification, please refer to [apprenticeship funding rules](#)

- offer career-related training that conflicts with the apprenticeship aims
- be taking place during the apprentices working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to
- repeat the same regulated qualification where the learner has previously achieved it. The exceptions are: it is for any GCSE where the learner has not achieved grade 4 (C) or higher, or for English and maths where the learner has been assessed as having an existing skill level lower than grade 4 (even if they have previously achieved a GCSE or equivalent qualification in English or maths)
- a learner to sit or resit a learning aim assessment or examination where no extra learning takes place

Evidence

You must hold evidence to assure us that you are using ESFA funded ASF appropriately. Most evidence will occur from your normal business process. You must make sure enrolments for ESFA funded ASF support your decision to claim funding and support the individual's case for consideration as ordinarily resident in England, or any exceptions set out in the [residency eligibility section](#).

In line with the [General Data Protection Regulation \(GDPR\)](#), you must record in the evidence pack what appropriate documentation you have seen, rather than take photocopies to prove eligibility.

[Annex E](#) contains the details on the evidence required.

Section 2 – ESFA funded ASF

ESFA funded ASF includes support for 4 legal entitlements to full funding for eligible adult learners.

The legal entitlements for level 2 and level 3 follow the definition of fullness in the [full level 2](#) and [full level 3](#) sections respectively. A learner can only be

fully funded for one vocational qualification from the entitlement qualifications list when exercising their legal entitlement. Appropriate information, advice and guidance should be given to a learner and the learner should be made aware of their entitlement rights and progression routes on completing an entitlement qualification.

These entitlements are set out in the [Apprenticeships, Skills and Children Learning Act 2009](#), and enable eligible learners to be fully funded for the following qualifications:

- English and maths up to and including level 2 for individuals aged 19 and over who have not previously achieved a GCSE grade A* to C or grade 4 or higher, and/or have been assessed as having an existing skill level lower than grade 4 (even if they have previously achieved a GCSE or equivalent qualification in English or maths)
- first full qualification at level 2 for individuals aged 19 to 23, and/or
- first full qualification at level 3 for individuals aged 19 to 23
- Essential Digital Skills qualifications (EDSQs) **or** Digital Functional Skills qualifications (DFSQs), up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

Learners who meet the [residency eligibility criteria in section 1](#) and are below the earnings threshold criteria or unemployed will also be fully funded for qualifications within policy entitlements that include:

- free course for jobs
- level 2 local flexibility
- heavy goods vehicle (HGV)
- 19 to 24 work placements
- sector-based work academy programme (SWAP)
- The Princes Trust
- English for speakers of other languages (ESOL)

An additional allocation for tailored learning will be available to all grant funded providers, enabling the delivery of non-regulated provision. For more information, refer to the [tailored learning section](#).

Learning for level 2 and below (including the full level 2 entitlement)

We will fully fund learners who meet the residency eligibility, are aged 19 and over,

and who meet the definition of being below the earnings threshold or unemployed, to undertake learning:

- up to and including level 2 qualifications from the local flexibility offer and/or
- qualifications from the full level 2 legal entitlement qualification list

Learners aged 19 to 23 who have not previously achieved a full level 2 qualification must be fully funded, regardless of the earnings threshold or employment criteria, if they choose a qualification from the level 2 legal entitlement list. You must not charge them any course fees.

Learners who have exhausted their first full level 2 entitlement and do not meet the definition of being below the earnings threshold or unemployed will be co-funded.

For the funding year 2024 to 2025, providers can find the qualifications we have approved in the [DfE list of qualifications approved for funding](#).

Learning at level 3 legal entitlement and the level 3 FCFJ

Learners aged 19 to 23 who have not previously achieved a full level 3 qualification must be fully funded, regardless of the earnings threshold or employment status, if they choose a qualification from the level 3 legal entitlement or FCFJ list. You must not charge them any course fees.

For the funding year 2024 to 2025, providers can find the qualifications we have approved in the [DfE list of qualifications approved for funding](#),

Learners who meet the residency eligibility have exhausted their first level 3 legal entitlement and do not meet the definition of being below the earnings threshold or employment status have the option of funding through an [advanced learner loan](#).

Level 3 FCFJ offer

FCFJ is a targeted level 3 offer to support adults who meet the definition of being below the earnings threshold or unemployed.

The offer includes:

- level 3 qualifications which will support the development of new skills for adult learners and improve the prospects of eligible adults in the labour market. In particular, eligible adults can now access fully-funded level 3

provision from the list of level 3 FCFJ qualifications available via the [DfE list of qualifications approved for funding](#)

- an uplift is payable at 2 different rates and follows the earnings methodology set out in the [funding rates and formula guidance](#). This uplift should be used to support delivery of the level 3 FCFJ offer

Funding that is claimed for eligible 19 to 23 year olds on the offer will be funded through your ASF allocation and will include the relevant uplift.

Only level 3 qualifications included in this 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.

We will fully fund learners who meet the residency eligibility as part of this offer where they:

- are aged 19 or above on 31 August within the 2024 to 2025 funding year, enrol on the level 3 FCFJ qualifications approved for funding and meet the eligibility of being below the earnings threshold or unemployed
- are aged 19 to 23 on 31 August within the 2024 to 2025 funding year, enrol on the level 3 FCFJ qualification approved for funding, have not achieved a full level 3 and earn above the earnings threshold criteria

You must not claim for ESFA funded ASF funding where learners are already being funded through an advanced learner loan, or a [Skills Bootcamp](#) (where applicable), for qualifications that are in the FCFJ offer. The criteria for advanced learner loans can be found in the [advanced learner loans funding rules](#).

You must:

- use learning delivery monitoring (LDM) code 378 and full- or co-funding indicator (FFI) code 1 to claim for funding for 19 to 23 year olds learners who have not achieved a full level 3 and earn above the earnings threshold
- use LDM code 378, FFI code 1, and LDM code 391 when recording learners who meet the earnings threshold criteria or are unemployed or are 19 to 23 years old and have not achieved a full level 3
- record the employment status of learners accessing the offer in the ILR

To determine qualifications that are eligible for FCFJ funding, you must use learning aims that are marked with:

- category code 45: National Skills Fund Level 3 Free Courses for Jobs rate 1
- category code 46: National Skills Fund Level 3 Free Courses for Jobs rate 2
- category code 48: National Skills Fund Level 3 Free Courses for Jobs only
- for short courses, you must also use category code 49: National Skills Fund Level 3 Free Courses for Jobs – short qualification

English, maths and digital for those aged 19 or older

English and maths

We will fully fund eligible learners for the following qualifications:

- GCSE English and/or maths
- Functional Skills English and/or maths from entry to level 2
- stepping stone qualifications (including components, where applicable) in English and/or maths approved by DfE

To be eligible for the legal entitlement, the individual must meet the [residency eligibility in section 1](#), and:

- be aged 19 or over, and
- not previously attained a GCSE in English or maths at grade 4 or above (or a qualification which is at a comparable or higher level) or have been assessed as having an existing skill level lower than grade 4 (even if they have previously achieved a GCSE or equivalent qualification in English and maths), as part of their legal entitlement

If a learner wants to retake a GCSE English and maths qualification because they did not achieve a grade 4 (C) or higher, we will not fund the learner to only resit the exam.

You must not fund an apprentice for English and/or maths from ESFA funded ASF.

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

Digital skills

We will fully fund eligible learners, including those who are employed, for the following qualifications:

- EDSQ up to and including level 1
- DFSQ up to and including level 1

To be eligible for the legal entitlement, the individual must meet the [residency eligibility in section 1](#), and be:

- aged 19 or over, and
- assessed as having digital skills levels below level 1

General funding principles for English, maths and digital entitlement

For those grant funded providers that have a tailored learning allocation we will fully fund non-regulated English, maths and digital for learners, including those learners assessed at pre-entry level with significant learning difficulties and/or disabilities as part of a personalised learning programme, where assessment has identified the learner cannot undertake the entitlements above through your grant funded tailored learning allocation.

You must:

- carry out a thorough initial assessment to determine an individual's current level using current assessment tools based on:
 - the national literacy and numeracy standards and core curriculums or DfE published English and Maths Functional Skills subject content or
 - the national standards for essential digital skills or DfE published digital Functional Skills subject content
- carry out an appropriate diagnostic assessment to inform and structure a learner's evidence pack to use as a basis for a programme of study
- enrol the learner on a level above that at which they are assessed and/or of which they have prior attainment, and be able to provide evidence of this
- deliver ongoing assessment to support learning
- record the evidence of all assessment outcomes in the evidence pack

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

Government contribution charts

Charts 1 and 2 show the level of government contribution for ESFA funded ASF. You can find the text version of these charts in [annex C](#).

The text in bold relates to either contents of this guidance or external links as shown below.

External links

- [ESFA's young people's residency requirements](#)
- [advanced learner loans](#)

Chart 1: 19 to 23 year olds



19 to 23 contribution table

Chart 2: 24+



24+ contribution table

Unemployed

We will update the Universal Credit (UC) thresholds to align to any revisions made by the Department for Work and Pensions (DWP).

For funding purposes, we define a learner as unemployed if one or more of the following apply. They:

- receive Jobseeker's Allowance (JSA), including those receiving National Insurance credits only
- receive Employment and Support Allowance (ESA)
- receive UC, and their take-home pay as recorded on their UC statement (disregarding UC payments and other benefits) is less than £892 a month (learner is sole adult in their benefit claim) or £1,437 a month (learner has a joint benefit claim with their partner)
- are released on temporary licence, studying outside a prison environment, and not funded by the Ministry of Justice

Providers may also use their discretion to fully fund other learners if either of the following apply. The learner:

- receives other state benefits (not included in the list above) and their take-home pay (disregarding UC payments and other benefits) is less than £892 a month (learner is sole adult in their benefit claim) or £1,437 a month (learner has a joint benefit claim with their partner)
- not receiving any benefits, wants to be employed and you are satisfied that the identified learning is directly relevant to their employment prospects and local labour market needs. In order to claim full funding for learners who are unemployed and not receiving benefits, you must indicate that they earn below the earnings threshold by using LDM code 391 and FFI code 1

If the learner is unemployed and is claiming benefits, you must complete the [Benefit Status Indicator \(BSI\)](#) to identify the learner is in receipt of JSA (BSI 1) UC (BSI 4), or ESA (all categories) (BSI 5).

Earnings threshold

We have introduced the earnings threshold as part of a new eligibility criteria that enables learners to be fully funded if they earn below £25,000. The policy entitlement includes learners who are employed or self-employed.

You may fully fund learners who are employed, or self-employed, up to and including level 2 and the level 3 offers, if they earn below £25,000 annual gross salary.

You must have seen evidence of the learner's gross annual wages in these circumstances. This could be a wage slip or a UC statement within 3 months of the learner's learning start date, or a current employment contract which states gross monthly/annual wages. Please note this is not an exhaustive list, but you must evidence your decision to award full funding to an individual who would normally be eligible for co-funding.

To claim full funding for learners who earn below the earnings threshold, you must use LDM code 391 and FFI code 1.

HGV driver training

HGV driver training flexibilities have been developed to support an increase in HGV driver training. Further information is available in the [rates and formula guidance](#).

The 2024 to 2025 offer:

- includes level 2 qualifications which will prepare learners for HGV licence acquisition of all vehicles up to category C and E (articulated)
- includes any new additional qualifications that are approved for training in this sector throughout the 2024 to 2025 academic year
- allows all eligible learners, fully funded and co-funded, to be reimbursed for the cost of HGV licences and medical

Learners must be eligible under the criteria for ESFA funded ASF eligibility and enrolled on one of the targeted approved for funding level 2 qualifications listed in [find a learning aim](#).

For learners, we will fund the first attempt only for:

- the HGV licence as part of a programme of training and
- the medical, at a cost of £61 per learner and/or
- a licence to upgrade from category C to category C+E

You must:

- use learning aims that are marked with:
 - category code 50: HGV Emergency Response, to identify an approved qualification and
 - category code 51: HGV Medical for the additional learning aim to represent the HGV medical and
 - category code 52: HGV Licence, for the additional learning aim(s) to represent parts of the Driver Certificate of Professional Competence (CPC) tests required to attain the licence, when learners undertake these elements
- record an outcome of 'Achieved' in the ILR where you have a recorded learning aims for the HGV licence and medical aim, to generate reimbursement funding for these activities
- have criteria for how you will administer and distribute your funds
- retain evidence in the learner file confirming that you have verified the medical test and licence documentation, and evidence from your accounts of the payment made to the learner and learner's receipt of the funds

Work placement for 19 to 24 year olds

We will fully fund individuals for a work placement who meet the criteria in the [who we fund section](#) where they:

- are aged 19 to 24 on 31 August within the 2024 to 2025 funding year; and
- enrol on one or more learning aims from the ASF core offer, or a vocational qualification listed on [find a learning aim](#), alongside a work placement learning aim

A learner's work placement must take place with an employer and allow the learner to develop new workplace knowledge, skills and behaviours. In total, the work placement element must be at least 70 hours and a maximum of 240 hours, and it must not be virtual or be simulated learning in an artificial environment.

A learner can have separate work placements in different organisations. These must last at least 2 weeks with each employer, and at least 70 hours in total with each placement supporting progression linked to their learning plan.

For learners on JSA or UC, work placements can be between 70 to 240 hours.

A learner who is undertaking work experience as part of a SWAP funded through DWP must not be funded through the 19 to 24 work placement.

For eligible learners aged 19 to 24, the work placement will be funded through the ESFA funded ASF funding methodology, with further information available in the [funding rates and formula guidance](#).

Providers must use learning aims that are marked with 'adult skills fund – work placement'. Please refer to the [funding rates and formula guidance](#).

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

- a formal interview for a job or apprenticeship vacancy, plus feedback, or
- an exit interview, written feedback and evidence of the learner's time and activities during the work placement

SWAP

[SWAP](#) is designed to help Job Centre Plus claimants build confidence to improve their job prospects and enhance their CV, while helping employers in sectors with current local vacancies to fill them. SWAP can last up to 6 weeks and has 3 main components:

- pre-employment training

- work experience placement
- a guaranteed job interview

The scheme runs in England and Scotland. Participants remain on benefits throughout their placement.

Only the pre-employment training element in England can be funded through ASF local flexibility, and normally lasts 2 to 3 weeks. Jobcentre Plus fund the other components and will pay any travel and childcare costs while claimants are on the work experience placement.

FE providers are part of the SWAP local design process and are informed when to expect referrals and how many.

You must keep a copy of the claimant's SWAP referral notification issued by Jobcentre Plus in the evidence pack setting out start date and times for their ESFA funded ASF funded pre-employment training.

To claim full funding for claimants referred to SWAP pre-employment training, you must use LDM code 375 and complete the [BSI](#) to identify the claimant is receiving JSA (BSI 1), UC (BSI 4), or ESA (all categories) (BSI 5).

Prince's Trust team programme

The Prince's Trust team programme is a 12-week course designed to improve confidence, motivation and skills for eligible 16 to 25 year olds. Each team recruits a mix of 16 to 25 year olds of different abilities and backgrounds, including employees sponsored by their employer. We fund the team programme. Providers in partnership with the Prince's Trust run and manage it on a local basis.

In order to deliver the team programme, you must get approval from the [Prince's Trust](#).

For eligible learners aged 19 to 25, we fund the team programme through the ESFA funded [funding methodology](#). Please also refer to the Princes Trust section in the [funding rates and formula guidance](#). For eligible learners aged 16 to 19, the team programme is funded through the ESFA's 16 to 19 funding methodology, with further information available in the [rates and formula guidance](#).

ESOL

ESOL qualifications are part of the ASF learning at level 2 and below offer. Please refer to this section for eligibility criteria.

Providers offering ESOL qualifications may need to deliver additional learning to individual learners that incurs additional cost above the qualification rate. You can access information on how to do this in the [funding rates and formula guidance](#).

Learners with learning difficulties and/or disabilities

We will fund learners with learning difficulties and/or disabilities as set out in the [Apprenticeships, Skills, and Children and Learning Act 2009](#).

We have the responsibility for securing the provision of reasonable facilities for education and training suitable to the requirements of persons who are 19 and over, set out in the [who we fund section](#). This includes learners with an identified learning difficulty and/or disability who have previously had an EHC plan and have reached the age of 25.

The [16 to 19 funding methodology](#) will apply to learners aged 19 to 24, who have an EHC plan and require provision and support costs.

Learners with an EHC plan

To access provision and support costs, you must inform us before the start of the 2024 to 2025 funding year where a learner:

- has reached the age of 25 and has not completed their programme of learning as set out in their EHC plan by the end of the previous funding year, or
- will reach the age of 25 in the funding year, where their EHC plan is not extended by their local authority to allow them to complete their programme of learning

The learner must:

- have an EHC plan that confirms their needs could only be met by the training organisation they are, or were, attending
- continue to make progress on the programme of learning as set out in their EHC plan

If a learner has an EHC plan, you must report this in the 'learner funding and monitoring' fields in the ILR.

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.

Tailored learning

As part of the new ASF, the term tailored learning brings together what was AEB community learning, formula-funded AEB non-regulated learning (previously delivered through adult skills) and any new employer-facing innovative provision that is not qualification based. The primary purpose of tailored learning is to support learners into employment and to progress to further learning, in line with the overall purpose of the ASF. It will, however, also support wider outcomes including using it to improve health and wellbeing, equip parents/carers to support their child's learning and develop stronger communities.

We would expect you to encourage and support all learners to progress on to new or more stretching provision to help them into more formal learning or employment. We would not expect to see multiple enrolments on similar level courses, or a repeat of similar learning aims where this does not benefit the learner's development.

Providers have the freedom and flexibility within these parameters to determine how they use their tailored learning allocation to meet the needs of their communities and employers. This can include outreach activities in order to engage learners and drive participation in adult learning.

If we fund your organisation through a contract for services, you will not have a tailored learning allocation or access to deliver non-regulated provision.

To deliver tailored learning, you must:

- follow ESFA funded ASF tailored learning funded methodology and submit ILR data under funding model 11 for the delivery and support
- complete the funding claim. Although the relevant guidance won't be published until later in the year, it will be in line with the current funding claims guidance, [how to submit a funding claim for 2023 to 2024](#)

You must not use tailored learning funding for learning that is:

- eligible for funding through an advanced learner loan
- primarily or solely for leisure purposes. We define learning for leisure purposes

as learning where the primary or sole intent of the learning is for leisure

Tailored learning funding will be reconciled against the tailored learning allocation line at the end of the funding year. You must repay funding that has not been used for tailored learning or where its use cannot be evidenced.

You must include the use of your tailored learning funding to cover learning and learner support costs up to the value of your tailored learning allocation. If you do, you must:

- claim for learning and learner costs through the final funding claim and follow the policy in line with the support funding section
- record these costs in the learner's evidence pack and maintain evidence that supports the costs for audit purposes

We will monitor tailored learning provision through the ILR and claim submissions and may require you to provide information on your delivery where it does not represent value for money.

You have the flexibility to use your tailored learning funding in line with the ASF formula funded methodology (funding model 38) to meet local demand. This flexibility works one way; you cannot use your ASF formula funded allocation to fund additional tailored learning and we will not fund above value in funding agreement.

You can use this amount of tailored learning funding (stated in your funding agreement) to deliver regulated provision to meet local demand. If you do deliver regulated learning, you must enrol learners following ESFA funded ASF eligibility requirements set out in the government contribution [chart 1](#) and [chart 2](#).

You can support learners aged under 19 if they meet both of the following. They are:

- a parent, carer or guardian attending provision delivered through family learning
- funded through tailored learning using funding model 11 in the funding model field (refer to ILR guidance for more information)

Tailored learning courses are delivered and reported on the ILR under the following purpose types. Please refer to the 2024 to 2025 ILR specification for further details:

- engaging and/or building confidence
- preparation for further learning
- preparation for employment
- improving essential skills (English, ESOL, maths, digital)
- equipping parents/carers to support children's learning
- health and wellbeing

developing stronger communities

Learner outcomes of tailored learning courses are reported on the ILR. Please refer to the [2024 to 2025 ILR specification](#) for further details.

The eligibility principles we apply to tailored learning provision are as follows:

- it must not be provision linked to UK visa requirements
- it must not be provision linked to occupational regulation unless there is an agreed concession in place
- it must not be learning that should be part of a learner's experience, for example 'induction to college'
- it must not be used primarily or solely for 'leisure' purposes
- it must not be a non-regulated version of a regulated qualification, which includes regulated qualifications that are not currently approved for funding
- it must not be above notional level 3

Where you are delivering tailored learning, you must ensure you have appropriate and robust quality assurance processes in place. For instance, you could follow 'the recognising and recording progress and achievement (RARPA) cycle'. Further [information on RARPA](#) is available from the Learning and Work Institute.

Providers must have a fair and transparent fees policy in place. Providers are asked to collect fee income from people who can afford to pay and use where possible to extend provision to those who cannot. Providers should consider charging employers where their tailored learning is employer facing. Your fees policy must be available on your website and, where appropriate, in the venues where you deliver tailored learning.

Funding for developing innovative provision

Funding for developing innovative provision enables eligible providers to earn up to 3% of their ESFA ASF allocation on the development of innovative provision. The purpose of this flexibility is to encourage local innovation and to support eligible providers to be able to develop new provision, in partnership with local employers and others.

To be eligible to use up to 3% of your ESFA funded ASF grant allocation for the development of new innovative provision, you must:

- have delivered ESFA funded AEB learning aims in 2022 to 2023, excluding FCFJ, 19 to 24 traineeships and community learning

- have a 2024 to 2025 ASF allocation (excluding FCFJ) over £500,000
- have 2024 to 2025 tailored learning value of less than 20% of your adult skills funding

If you are eligible, the maximum amount of funding you can draw down for this purpose is set out in your allocation statement.

We expect that provision developed using this flexibility reflects the priorities outlined in the local skills improvement plans.

You have the flexibility to use all, or some, of the 3% of your ASF allocation and you must use this flexibility to fund the development costs of establishing new provision. This includes:

- research and developments costs – to support work with large employers and/or local small- and medium-sized enterprises (SMEs)/micro businesses to scope and develop non-accredited provision bespoke to that employer
- project management costs – to support the costs of overseeing the project development and setting up of new non-accredited provision. It could also cover the staff costs of developing and preparing new qualifications for submission to DfE/awarding bodies approval processes
- training for the trainer – developing training for teaching staff to be able to deliver provision in new and emerging fields such as green skills and artificial intelligence

You must be able to demonstrate that the above activity has been delivered and ensure you clearly document and retain records as evidence of the complete breakdown of costs that have been incurred and paid.

This evidence may well form part of the documentation comprised of your normal financial systems and processes which demonstrate clearly the different costs specifically spent from this funding such as direct costs (such as invoices, expenses), personnel costs (such as payroll, time records) and any indirect costs (how these have been calculated).

Your spend may also have been subject to an audit from your own statutory or internal auditors, in which case assurance of spend may be accepted where this can be evidenced from audit reports/audit committee minutes. We will recover funding that is not duly spent, recorded and evidenced as above, or duly assured by your auditors and evidenced from relevant audit reports, or evidenced from formal audit committee minutes, as stated above.

You must complete the funding claim. Although the relevant guidance will not be published until later in the year, it will be in line with the current funding claims guidance, [how to submit a funding claim for 2023 to 2024](#).

You must not use this flexibility to claim:

- funding for learners, including those where new provision is being piloted

- for any capital costs, building/estates refurbishments, maintenance and restoration

Support funding

The ESFA funded ASF's overarching aim is to support as many eligible adult learners as possible to access learning. Some learners will need additional support to start or stay in learning.

Where you identify that a learner has a learning difficulty and/or disability, or a financial barrier, your ESFA funded ASF allocation enables you to claim learning support and/or learner support funding to meet the additional needs of learners.

Support for learners undertaking tailored learning is funded from within the tailored learning allocation.

Learning support

Learning support is available to meet the cost of putting in place a reasonable adjustment, as set out in the [Equality Act 2010](#), for learners who have an identified learning difficulty and/or disability to achieve their learning goal.

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

You must:

- carry out and document a thorough assessment to identify the learner's learning difficulty and/or disability
- agree and record the assessment and outcome of your assessment in the evidence pack
- record details of the reasonable adjustments required and how support will be planned and delivered
- record and retain the appropriate evidence to demonstrate that the planned support has been delivered
- confirm the continuing necessity and appropriateness of these reasonable adjustments on a monthly basis
- 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. This does not apply to any non-formula tailored learning

- learning support funding can only be claimed for each month in which reasonable adjustments are provided to the learner and where evidence of costs can be provided. For months in which no reasonable adjustments are necessary, or no costs have been incurred, a claim for learning support funding must not be made

All learning support claims must be reported in the ILR. To claim any costs that exceed the fixed monthly rate, up to £19,000, you must also use the [earnings adjustment statement \(EAS\)](#). For any costs over £19,000, please see the next section for exceptional learning support.

You must keep evidence of these additional costs in the evidence pack. You must only record the excess amount on the EAS, not the whole learning support cost, unless a learning aim is delivered in less than one calendar month, in which case you may claim the entire cost through EAS.

Exceptional learning support claims above £19,000

If a learner needs significant levels of support to start or continue learning and has support costs of more than £19,000 in a funding year, you can claim exceptional learning support but only for the amount above £19,000. The amount up to £19,000 should be claimed through the monthly rate and any excess funding through the EAS.

Learners aged 19 to 24 who require significant levels of support should have an EHC plan provided by their local authority and, therefore, would access funding from their local authority.

You must submit exceptional learning support claims at the beginning of the learner's programme, or when you identify the learner requires support costs more than £19,000 in a funding year, by completing and sending the [exceptional learning support claims form](#).

To claim exceptional learning support for a learner aged 19 to 24, you must confirm why the individual does not have an EHC plan. This should be a letter or email from the learner's local authority stating the reason(s) why the individual does not need an EHC plan.

When you claim exceptional learning support you must explain why you have claimed the amount you have, which would be linked to the learner's assessment

and planned learning support claim. You must only claim amounts for your costs of providing the support to the learner and not include any indirect costs or overheads.

Learner support

Learner support is available to provide financial support for learners with a specific financial hardship preventing them from taking part/continuing in learning. Before you award support to a learner, you must identify their needs within the following 'categories':

- hardship funding – general financial support for financially disadvantaged learners to support participation learning
- 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 costs
- Care to Learn top up for 19-year-olds
- Residential Access funding – to support ESFA funded ASF learners (set out in the [who we fund section](#)) where they need to live away from home in order to access provision
- ICT devices and connectivity – to support disadvantaged learners who cannot undertake online delivery without this provision

You must not claim more than 5% of your total learner support (including continuing 19 to 24 traineeship learners) as administration expenditure. You must document your process for managing your administration costs over the current funding year and record, report and retain evidence on spending for each of the categories. You must follow these rules and claim learner support using the appropriate method as set out below.

You must:

- 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
- assess and record the learner's needs, demonstrating the need for support – you must record this information and retain in the evidence pack
- report the appropriate Learner Support Reason codes in the 'Learner Funding and Monitoring' fields in the ILR. This does not apply to non-formula tailored learning
- complete 3 funding claims throughout the year in line with funding claims guidance if you have a grant contract, else record delivery through the earning adjustment statement each month if on a contract for services
- consider the availability of other support for learners, for example from Jobcentre Plus

- make it clear to learners it is their responsibility to tell the DWP about any learner support they are receiving from you, as learner support payments may affect their eligibility to state benefits
- use either ASF or loans bursary to support specific provision funded by either ASF or advanced learner loans where a learner is on 2 courses at the same time

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

- essential equipment or facilities if the learner is eligible for full funding with the exception of the items covered in the first clause of the [hardship section](#) and the flexibilities in [ICT devices and connectivity section](#)
- a learner in custody or released on temporary licence
- a learner carrying out a higher education course or learning aims fully funded from other sources
- to pay attendance allowances or achievement and attendance bonuses

Hardship

You can use hardship funds for the following:

- course-related costs, including course trips, books and equipment (where costs are not included in the funding rate)
- support with domestic emergencies and emergency accommodation provided by others, or by providing items or services or cash direct to the learner, this can be in the form of a grant or repayable loan provided by you
- transport costs (but not make a block contribution to post-16 transport partnerships or routinely fund transport costs covered in the local authority's legal duty for learners of sixth-form age)
- examination fees
- accreditation fees, professional membership fees and any fees or charges due to external bodies
- your registration fees
- to support continuing traineeship learners, including the work placement element

In exceptional circumstances, you can use hardship funds to assist with course fees for learners who need financial support to start or stay in learning. If an asylum seeker is eligible for provision, you may provide learner support in the form of course-related books, equipment, cash payments or a travel pass.

Childcare

For 20+ learners you can only use childcare funding to pay for childcare with a childminder, provider or childminder agency, registered with Ofsted.

You must not use childcare funding to:

- fund informal childcare, such as that provided by a relative
- set up childcare places or to make a financial contribution to the costs of a crèche

Learner support may be used to 'top up' childcare costs for 19-year-old learners receiving Care to Learn funding if their costs exceed the weekly maximum rates for that scheme. The top up may only be applied to childcare provision [eligible under the Care to Learn scheme](#) rules.

The institution must hold evidence that the maximum amount is being paid under Care to Learn to confirm that a top up is required. Any top up paid must be made in line with Care to Learn guidance and paid directly to the childcare provider.

Providers must claim for Care to Learn top-up through the learner support – 20+ childcare category.

To claim Learner support to top-up Care to Learn, providers must follow the same process currently set out in the [learner support section](#).

Residential access funding

You can use residential access funding to support ESFA funded ASF learners who meet eligibility criteria in the [who we fund section](#), where they need to live away from home, for example to access specialist provision which involves a residential element, or to support learners who cannot access provision locally. You must:

- set out the criteria and procedures for considering and agreeing applications for support from your residential access funds
- only pay for travel costs for learners who are awarded residential access funding in exceptional circumstances
- only claim residential access funding for the period the learner is resident; this could be in accommodation you own or manage or other accommodation which you have agreed to fund in line with your criteria
- ensure costs claimed represent value for money for the local area
- publish your rates where you have your own residential facilities

ICT devices and connectivity

You can support disadvantaged learners who are undertaking classroom or blended learning to continue to participate via online learning where the learner does not have:

- internet access at home, and/or
- a suitable device, for example a laptop or tablet, to complete the necessary online course work

You must secure value for money when purchasing IT devices and/or internet access including:

- deploying any unused devices before you purchase new ones
- exploring options to access low cost second hand or recycled devices
- avoiding entering long-term contract arrangements
- holding a record of actual costs for any IT devices and/or internet access bought for this purpose and make this available to us, if asked

IT devices you purchase must only be loaned out to learners and returned at the end of their learning aim to allow them to be re-used by other learners. Learners must sign a declaration, confirming:

- they will return the device when their online learning aim(s) is complete, or if they leave before completing their learning
- they will return the device in the same condition in which they received it

You must maintain an up-to-date record of the loan and return of devices to learners.

You must record the following evidence in the learner's evidence pack:

- the outcome of the assessment undertaken to identify the learner's individual needs
- the learner declaration referred to above

Job outcome payments

The earnings method principles have changed for grant funded providers starting aims on or after 1 August 2024. In previous years, 20% of funding was held back and only earned on achievement of the learning aim; this will continue for procured contracts. However, this 20% element will now be earned on completion for grant-funded providers for new starts from 1 August 2024. We therefore refer to

‘achievement/completion’ and ‘achieves/completes’ to reflect the difference. For more information, please refer to the [adult skills funding rates and formula guidance](#).

For fully funded learners who are unemployed, we will pay 50% of the completion/achievement payment if they start a job before completing/achieving the learning aim. If the learner then completes/achieves the learning aim, we will pay the remaining achievement payment. The following conditions apply:

- 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 4 consecutive weeks
- where the learner was claiming benefits relating to unemployment, they must also declare that they have stopped claiming these

Section 3 – payments and performance management

To ensure all providers are treated fairly, we operate a performance management process so everyone has the same opportunities to access any additional funding.

You must read the section below because this applies to everyone. In addition, the rules are split by the funding agreement you have with ESFA. It is essential that you read the rules that apply to you. You may have more than one contract and will need to read all parts that relate to that funding agreement:

- [education and skills funding agreement \(grant\)](#)
- [ESFA funded adult skills fund contract for services \(procured from August 2023\)](#)

Please see [annex H](#) for a summary of arrangements in this section by funding agreement and allocation lines.

All funding agreements

This section sets out the principles by which we will manage your performance in the 2024 to 2025 funding year.

We use the term ‘funding agreement’ as a generic term for the separate contract arrangement.

For the purposes of this section, we use the term

- ‘contract value’ to mean your funding allocation or contract value as set out in your funding agreement
- ‘allocation line’ as the separate values or ‘of which’ within your funding agreement that we will use to manage your contract value

You must submit data using the ILR and EAS for each aim that is supported and maintain evidence that support the costs.

We will continue to apply different performance management processes according to the type of funding agreement we have with you. Within these processes, we will apply our principles of performance management consistently to all providers.

[Manage your education and skills funding](#) is an online service that gives you access to information about contracting and payments. We use this service to share your contract documents, allocation statements, remittance reports (payments), subcontracting declarations and reconciliation statements.

All increases and funding above your contract value are subject to affordability.

We will use our approach to funding to make sure learning 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. We may not increase your allocation through our performance management process and may reduce or remove your allocation if one or more of the following is true:

- your Ofsted grade is inadequate
- you are in formal intervention for minimum standards or inspection
- you have been issued with a notice for financial management and control
- 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
- you have significantly under delivered against your contract value in previous years
- you are subject to an investigation for breach of contract and/or failed audit

As part of our funding assurance work, we will continue to monitor compliance with these funding rules. We will contact you where we find you have submitted data that does not meet our funding rules, or our ILR and EAS requirements. We will require you to correct inaccurate ILR and EAS data or to adjust your final funding claim. Details are set out in our [funding rules monitoring guidance](#).

Your funding agreement will span 2 financial years:

- August 2024 to March 2025: periods 1 to 8 of the 2024 to 2025 funding year
- April 2025 to July 2025: periods 9 to 12 of the 2024 to 2025 funding year

You must not transfer funds between funding budgets. For details go to [principles of funding](#).

You must not transfer funds between the following funding agreements:

- education and skills funding agreement (grant)
- ESFA funded ASF contract for services (procured from August 2023)

We may increase, decrease or change the review points we operate, in line with delivery against the funding available or policy changes. We will distribute funds only through a formulaic calculation based on provider performance (not through a provider bidding/business case approach) and you must meet the criteria for growth.

Education and skills funding agreement (grant)

If you bid and were successful in the procurement, these are separate contracts and will be managed separately. Please refer to the appropriate section.

This section excludes performance management arrangements for [ESFA funded ASF contract for services](#).

These rules apply in relation to providers that have an education and skills funding contract (grant agreement) for eligible learners set out in the [who we fund section](#).

Your 2024 to 2025 ASF allocation statement and your funding agreement will show allocation lines as separate values. We will manage these as individual allocation lines and you cannot transfer funds or request virements. Your education and skills funding agreement has separate performance arrangements and are made up of the following allocation lines:

- ESFA funded ASF
- ESFA funded level 3 FCFJ

We will make payments on the standard national profile as set out in table 1 of [annex G](#).

The funding agreement for education and skills funding remains separate from procured contract for services with different payment and performance management arrangements. Please see appropriate section of these rules on the arrangements for contract for services (where applicable to you).

You must provide 3 funding claims setting out your actual delivery to date and,

where appropriate, provide a forecast for the remainder of the funding year. We will review the actual spend you submit in your final funding claim against the ILR and EAS data you provide.

These are the funding claims you must provide:

- mid-year forecast funding claim
- year-end forecast funding claim
- final funding claim

We will publish our [funding claims guidance](#) in autumn 2024 with details on how to submit your claims.

Using your mid-year funding claim (February) we will compare the amount of funding you have used with your contract value and reconcile your funding agreement. If your mid-year funding claim shows you expect to be significantly below your contract value, we may adjust your payments from April 2025 to reduce reconciliation following the final funding claim, although we will discuss this with you before reducing allocations.

You must ensure you meet the cost of continuing learners from within your education and skills funding agreement (grant), as you have always done.

For information on continuing ESFA funded learners and devolved authorities with responsibilities for adult skills funding, please refer to the [19+ allocations technical guidance](#).

ESFA funded ASF (grant)

Your funding agreement will state the amount of ESFA funded ASF provision you can deliver between 1 August 2024 and 31 July 2025. It will also state the maximum value of tailored learning and developing innovative provision we will fund (where applicable).

It cannot be used for new learners resident in devolved areas or the [level 3 FCFJ offer for 24 year old learners and above](#).

Tailored learning

You have the flexibility to use all, or some, of your tailored learning funding in line with the ASF formula-funded methodology. This flexibility works one way; you cannot use your ESFA funded ASF to fund additional tailored learning. The maximum value of your tailored learning will be outlined within your funding agreement and we will not fund above this value.

Where institutions use this flexibility, this will not affect your tailored learning allocation value for 2025 to 2026.

Funding for developing innovative provision

Where applicable, a proportion of your ESFA funded adult skills fund has moved to funding for innovative provision. If you are eligible, you will see a value on your funding agreement.

If eligible for this funding, you have the flexibility to use all, or some, of this funding ASF formula-funded methodology. This flexibility works one way; you cannot use your ESFA funded ASF to fund additional innovative provision. The maximum value of your developing innovation funding will be outlined within your funding agreement and we will not fund above this value.

You must complete the funding claim. Although the relevant guidance will not be published until later in the year, it will be in line with the current funding claims guidance, [how to submit a funding claim for 2023 to 2024](#).

Level 3 FCFJ offer for 19 to 23 year old learners

You can deliver level 3 qualifications on the [level 3 FCFJ list](#) to eligible 19 to 23 year old learners within your ESFA funded ASF allocation. Your ESFA funded ASF contract value includes funding for the uplifts for qualifications on the level 3 FCFJ adult offer. Please refer to the [adult skills fund funding rates and formula 2024 to 2025 guidance](#) for more information on this.

If additional funding is allocated to you and you do not want to offer this funding or have the capacity to deliver, you can decline the additional funding or reduce the amount. We will assume you can deliver the additional funding unless you let your provider-facing team lead know otherwise.

For more details on payments and performance management arrangements, please refer to [ESFA funded ASF](#).

This is separate from level 3 FCFJ offer for 24 year old learners and above. For this, please refer to [ESFA funded level 3 FCFJ](#).

Reconciling your ESFA funded ASF

Your ESFA funded ASF is paid on a monthly profile and we will recover funds or

make payments within the tolerances against actual delivery you submit through your final ILR, EAS and funding claims. You must supply accurate funding claims that can be fully evidenced.

At the end of the 2024 to 2025 funding year, we will apply a 3% reconciliation tolerance. Where your delivery of ESFA funded ASF is at least 97% of your ESFA funded ASF allocation line, we will not make an end-of-year adjustment and you will not have to pay back any unspent funds.

Our calculation of whether you have delivered 97% will only include delivery of tailored learning and innovative funding up to the value specified in your funding agreement (where applicable). Any under spends on tailored learning and innovative funding can be offset by overspends on your other funding lines.

If you do not deliver 97% or above, we will confirm the value of funding you must pay back in your reconciliation statement.

We will fund up to 10% of delivery above your contract value at the end of the 2024 to 2025 funding year. This means we will fund delivery up to 110% of your ESFA funded ASF allocation line, subject to you meeting our [track record checks](#). Any delivery you undertake above this level is at your own risk.

When calculating the 110%, we will include tailored learning delivery and innovative funding only up to the value specified in your funding agreement, but we will not include delivery over this amount. Any underspends on tailored learning and innovative funding can be offset by overspends on your other funding lines. We will not pay for:

- tailored learning delivery over the value of your tailored learning allocation or
- innovative funding over the value of your funding for innovative provision allocation

Reconciliation is based on the final data you provide in ILR, EAS and claims. The value we compare to may include audit and monitoring. More information is available in our [funding claims guidance](#).

Reductions to your ESFA funded ASF

The ESFA funded ASF allocation line is not in scope for reductions at the review point.

If you do not require your full ESFA funded ASF contract value, you can voluntarily request to reduce (or remove) at the review point set out in [annex F](#). We will not accept requests after this date.

Using your mid-year funding claim (February) we may compare the amount of funding you have used with your contract value and reconcile your funding agreement. We may adjust your payments from April 2025 to reduce reconciliation

following the final funding claim, although we will discuss this with you before reducing allocations.

Increases to your ESFA funded ASF

You must operate within your funding agreement and the payment thresholds as set out in the [reconciling your ESFA funded ASF section](#).

Future allocations will consider actual delivery against your funding agreement. Increases to your funding agreement will not automatically be consolidated into future years' allocations.

We will fund delivery up to 110% at the end of the 2024 to 2025 funding year as set out in the [reconciling your ESFA funded ASF section](#).

Extra review for 2024 to 2025

Some providers have received a funding allocation in 2024 to 2025 that was lower than their 2023 to 2024 funding allocation. This is because their delivery was below reconciliation thresholds in 2021 to 2022 and 2022 to 2023. For more information, please see the [19+ allocations technical guidance](#).

At the December review point, set out in [annex E](#), we will use the information you provide in your final (R14) ILR, EAS and funding claims from 2023 to 2024 to measure your performance against your 2023 to 2024 contract value.

We will offer additional ESFA funded AEB to providers that meet the following criteria (subject to affordability):

- your 2024 to 2025 allocation reduced by more than 10% compared with 2023 to 2024 (excluding devolved changes)
- you have increased delivery in 2023 to 2024 by 20% or more compared with your highest delivery in the previous 2 years' claims
- you have a good [track record](#)
- you are not in formal intervention with ESFA and not under additional conditions of funding or additional contractual obligations

We will not accept requests for exceptional increases if you do not meet the criteria listed in this section.

We will calculate increases for providers that meet the criteria listed in this section using a nationally consistent formulaic calculation based on performance and affordability (not through a provider bidding/business case approach).

The value of your increase is not guaranteed and may include an affordability factor. The maximum contract total following the review point will be the lower of:

- 2023 to 2024 allocation or
- 2023 to 2024 delivery

Both of the above will remove devolved area funding (North East) using the same proportion applied to allocations.

If we offer you an increase and you do not intend to use or have the capacity to deliver the additional funding, you should decline the additional funding or request to reduce the amount. We will assume you can deliver the additional funding and issue a contract variation unless you let your provider facing team lead know otherwise.

We will apply increases based on the standard national profile to the remaining months of your contract.

Other increases

Outside of the extra review criteria, the ESFA funded ASF allocation line is not in scope for increases at the review point. If additional funding becomes available that would make a material difference to individual provider contracts, we will offer increases using a nationally consistent formulaic calculation based on performance and affordability (not through a provider bidding/business case approach).

ESFA funded level 3 FCFJ offer (grant)

Level 3 FCFJ is separate from your ESFA funded ASF and we will manage it as a distinct allocation line.

This section covers the payment and performance management arrangements for your level 3 FCFJ offer for 24 year olds and above only. For 19 to 23 year old learners read [ESFA funded ASF](#).

Reconciling your ESFA funded level 3 FCFJ offer

Your ESFA funded level 3 FCFJ offer is paid on a monthly profile and we will recover funds or make payments, within the tolerances, against actual delivery you submit through your final ILR, EAS and funding claims. You must supply accurate funding claims that can be fully evidenced.

At the end of the 2024 to 2025 funding year, we will apply a 3% reconciliation tolerance. Where your delivery of level 3 FCFJ offer is at least 97% of your allocation line, we will not make a year-end adjustment and you will not have to pay back any unspent funds.

If you do not deliver 97% or above, you must pay back all unspent funds. We will confirm the value of funding you must pay back in your reconciliation statement.

We will fund up to 10% of delivery above your allocation line contract value at the end of the 2024 to 2025 funding year. This means we will fund delivery up to 110% of your August 2024 to July 2025 contract value subject to you meeting our [track record checks](#). Any delivery you undertake above this level is at your own risk. See below for increases to level 3 FCFJ offer.

Reconciliation is based on the data you provide in ILR, EAS and claims. The value we compare with may include audit and monitoring errors. More information is available in the [funding claims guidance](#).

Reductions to your ESFA funded level 3 FCFJ offer contract values

The level 3 FCFJ offer allocation line is not in scope for reductions at the review point.

If you do not require your full level 3 FCFJ offer contract value, you should voluntarily request to reduce (or remove) at the review point set out in [annex F](#). We will not accept requests after this date.

Increases to your ESFA funded level 3 FCFJ offer contract value

You must operate within your funding agreement and the payment thresholds as set out in the [reconciling your ESFA funded level 3 FCFJ offer section](#).

We will fund delivery up to 110% at the end of the 2024 to 2025 funding year as set out in the [reconciling your ESFA funded level 3 FCFJ offer section](#).

At the December review point, set out in [annex F](#), we will use the information you provide in your ILR and EAS data to measure your performance against a standard national profile, see [annex G](#).

At the review point, we will offer additional level 3 FCFJ offer level 3 funding to

providers that meet the following criteria (subject to affordability):

- you have delivered at least 90% of the standard national profile at the review point
- you have a good [track record](#)
- you are not in formal intervention with ESFA and not under additional conditions of funding or additional contractual obligations

We may agree an exceptional case if you do not meet the criteria listed above. If accepted, you will be subject to the formulaic calculation. Requests must be submitted using our [performance management requests form 2024 to 2025](#) and by the deadline shown in [annex F](#). We will not accept any requests received after the deadline or submitted to a different email address.

We will calculate additional increases for providers that meet the criteria listed above using a nationally consistent formulaic calculation based on performance, maximum growth limits and affordability (not through a provider bidding/business case approach).

The maximum growth we will award at the review point is set out below:

2024 to 2025 contract value	Maximum growth
Up to £90,000	£45,000
More than £90,000	50% of your contract value

Increases are subject to reserved funding being sufficient to cover in-year demand. If calculated growth exceeds the available budget, we may not be able to award the maximum value of growth available. The value of your increase is not guaranteed.

It is important that you make timely and accurate data returns at the review point, as this will help us to ensure your contract value is set at the correct level.

If we offer you growth and you do not intend to use or have the capacity to deliver the additional funding, you should decline the additional funding or reduce the amount. We will assume you can deliver the additional funding and issue a contract variation unless you let your provider-facing team lead know otherwise.

If you deliver more than your contract value, then the increase we award may not cover the full cost of delivery to date.

We will apply increases based on the standard national profile to the remaining months of your contract. However, we will prioritise existing over delivery in prior months to ensure that this is funded first.

Future allocations will consider actual delivery against your funding agreement. Increases to your funding agreement will not automatically be consolidated into

future years' allocations.

Requesting an ESFA funded level 3 FCFJ offer allocation for the first time or a contract value top up to £45,000

At the review point, you can request an ESFA funded level 3 FCFJ offer allocation for the first time, or an increase to your existing contract value, if:

- you have a 2024 to 2025 ASF grant and have not been issued with an ESFA funded level 3 FCFJ offer allocation for 24 year olds and above, because you have not delivered these courses historically, or
- your ESFA funded level 3 FCFJ offer contract value is below £45,000

Requests must be submitted using our [ASF performance management requests form 2024 to 2025](#) by the deadline shown in [annex E](#). We will not accept any requests received after the deadline or sent to a different email address.

The maximum allocation you can apply for is £45,000 (including existing contract value). This is not guaranteed, and the value we award may be lower. We will assess your request in line with the timetable set out in [annex F](#).

We will use your [track record](#) to assess your ability to deliver education and training to the required standard.

If you do not use this allocation by the end of the academic year, we reserve the right to remove the first-time request or allocation top up from your funding agreement.

ESFA funded ASF contract for services (procured from August 2023)

This section applies to you if you applied to and received an ESFA funded ASF contract for services award as part of the 2023 AEB procurement.

This section excludes performance management arrangements for [education and skills funding agreement \(grant\)](#).

These rules apply in relation to providers that have an ESFA funded ASF contract for services for eligible learners set out in [who we fund section](#).

Your funding agreement will show allocation lines as separate values. We will

manage these as individual allocation lines and you cannot transfer funds or request virements. Your funding agreement has separate performance arrangements and is made up of following allocation lines:

- [ESFA funded ASF](#)
- level 3 FCFJ

We will manage your contract in accordance with [Public Contracts Regulations 2015](#).

The funding agreements for ASF education and skills funding remain separate from procured contract for services with different payment and performance management arrangements. You cannot request or transfer funds between funding agreements. Please see the appropriate section of these rules for the arrangements (where applicable to you).

If you had an ESFA funded contract for services in the 2020 to 2021 funding year or as part of the 2021 AEB procurement, you will not be able to use your ESFA funded 2024 to 2025 funding agreement to fund continuing learners who were being funded under those contracts. No funding will be made available for learners starting before 1 August 2023.

Your funding agreement states the expiry date of this contract and you must not recruit learners after this date. We may extend the contract period to give learners recruited before the relevant expiry date the necessary period to complete their learning programmes. This is subject to a longstop date as defined in your funding agreement. You must plan your delivery, including any subcontracted delivery accordingly. Funding beyond the extension will not be allocated. More details are available in part 2 of your funding agreement.

ESFA funded ASF contract for services (procured from August 2023)

Your funding agreement will state the amount of ESFA funded ASF provision you can deliver between 1 August 2024 and 31 July 2025.

It cannot be used for new learners resident in devolved areas or the level 3 FCFJ adult offer for 24 year old learners and above.

Level 3 FCFJ offer for 19 to 23 year old learners

You can deliver level 3 qualifications to eligible 19 to 23 year old learners; this is separate from level 3 FCFJ offer for 24 year old learners and above. For this, please refer to the relevant details on [payments and performance management](#).

Paying your ESFA funded ASF contract for services

We will pay you based on your actual delivery each month, including learner and learning support, up to your contract value for the financial year. We will calculate the value of your actual delivery using the latest validated ILR and EAS data you provide.

During the funding year, we will fund delivery up to 110% of each financial year within your contract for service. This is subject to meeting our [track record checks](#) and we may recover funds over your contract value if you do not meet the required track record. This means we will fund delivery up to 10% above your ESFA funded ASF:

- August 2024 to March 2025 contract value
- April 2025 to July 2025 contract value

At the end of the funding year (at R14), we will fund delivery up to 110% of your ESFA funded ASF and ESFA funded ASF learner support funding year contract value. This means we will fund delivery up to 10% above your August 2024 to July 2025 contract value (removing the financial years). We will consider payments already made. This is subject to meeting our [track record checks](#) and we may recover funds over your contract value if you do not meet the required track record. The value we compare with may include audit and monitoring errors. Any delivery you undertake above this level is at your own risk. The value we compare with may include audit and monitoring errors.

Reductions to your ESFA funded ASF contract for services

At the December review point, set out in [annex F](#), we will use the information you provide in your ILR and EAS data to measure your performance against the standard national profile (see [annex G](#)).

We will reduce your contract value if your performance against the standard national profile is outside the tolerance (key performance indicator (KPI) 1 of your contract) and/or you are not delivering in line with the other contracted KPIs. The tolerance level we will apply is set out in [annex F](#).

The reduction in your contract value will reflect some or all the under-delivery to date outside of the tolerance. We may extrapolate the reduction forwards, which means we will reduce your contract value for the remainder of the year by the same percentage we reduce your year-to-date value. We will not change this approach unless there are exceptional circumstances.

We will apply the reduction unless:

- you believe that your delivery pattern is significantly different to the standard national profile
- you demonstrate you were impacted by data issues outside of your control
- the amount you are below profile is less than £25,000

We may agree an exceptional case if you do not meet the criteria. Exceptional circumstances set out in the list above must be submitted using our [ASF performance management requests form 2024 to 2025](#) and by the deadline shown in [annex F](#). We will not accept any requests received after the deadline or submitted to a different email address.

If you do not require your full ESFA funded ASF contract value, you can voluntarily request to reduce (or remove) at the review point set out in [annex F](#). We will not accept requests after this date.

Increases to your ESFA funded ASF contract for services

You must operate within your funding agreement and the payment thresholds as set out in the [paying your ESFA funded ASF contract for services section](#).

We will fund delivery up to 110% at the end of the 2024 to 2025 funding year.

At the review point, set out in [annex E](#), we will use the information you provide in your ILR and EAS data to measure your performance against a standard national profile (see [annex G](#)).

At the review point set out in [annex F](#), we will offer additional ASF funding to providers that meet the following criteria (subject to affordability and meeting Public Contracts Regulations):

- you have delivered at least 90% of the standard national profile at the review point
- you have a good [track record](#)
- you are not in formal intervention with ESFA and not under additional conditions of funding or additional contractual obligations
- delivered in line with contracted KPIs

We may agree an exceptional case if you do not meet the criteria listed above. Exceptional requests are to review whether you are in scope for an increase. If accepted, you will be subject to the formulaic calculation and maximum growth limits. Requests must be submitted using our [ASF performance management requests form 2024 to 2025](#) and by the deadline shown in [annex F](#). We will not accept any requests received after the deadline or submitted to a different email address.

We will calculate additional increases for providers that meet the criteria set out above using a nationally consistent formulaic calculation based on performance, maximum growth limits and affordability (not through a provider bidding/business case approach).

The maximum growth we will award at the review point is set out below:

2024 to 2025 contract value	Maximum growth
Up to £90,000	£45,000
More than £90,000	50% of your contract value

Increases are subject to affordability. In the event of calculated growth exceeding the available budget, we may not award the maximum value of growth available. The value of your increase is not guaranteed.

It is important that you make timely and accurate data returns at the review point, as this will help us to ensure your contract value is set at the correct level.

If we offer you growth and you do not have the capacity to deliver the additional funding, 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 let your provider facing lead know otherwise.

If you deliver more than your contract value, then the increase we award may not cover the full cost of delivery to date.

We will apply increases based on the standard national profile to the remaining months of your contract. However, we will prioritise existing over delivery in prior months to ensure that this is funded first.

Future allocations will consider actual delivery against your funding agreement. Increases to your funding agreement will not automatically be consolidated into future years' allocations.

ESFA funded level 3 FCFJ offer contract for services (procured from August 2023)

Level 3 FCFJ is separate from your ESFA funded ASF and we will manage it as a distinct allocation line.

This section covers the payment and performance management arrangements for your ESFA funded level 3 FCFJ offer for 24 year olds and

above only. For 19 to 23 year old learners, please see the [ESFA funded ASF section](#).

Your funding agreement will state the amount ESFA funded level 3 FCFJ offer provision you can deliver between 1 August 2024 and 31 July 2025.

Paying your ESFA funded level 3 FCFJ offer contract for services

We will pay you based on your actual delivery each month, including learner and learning support, up to your contract value for the financial year. We will calculate the value of your actual delivery using the latest validated ILR and EAS data you provide.

During the funding year, we will fund delivery up to 110% of each financial year within your funding agreement. This is subject to meeting our [track record checks](#) and we may recover funds over your contract value if you do not meet the required track record. This means we will fund delivery up to 110% of your ESFA funded level 3 FCFJ offer:

- August 2024 to March 2025 contract value
- April 2025 to July 2025 contract value

At the end of the funding year (at R14), we will fund delivery up to 110% of your ESFA funded level 3 FCFJ and ESFA funded level 3 FCFJ learner support funding year contract value. This means we will fund delivery up to 110% of your August 2024 to July 2025 contract value (removing the financial years). We will consider payments already made. This is subject to meeting our [track record checks](#) and we may recover funds over your contract value if you do not meet the required track record. Any delivery you undertake above this level is at your own risk.

Reductions to your ESFA funded level 3 FCFJ offer contract for services

At the December review point, set out in [annex F](#), we will use the information you provide in your ILR and EAS data to measure your performance against the standard national profile (see [annex G](#)).

We will reduce your contract value if your performance against the standard national profile is outside the tolerance (KPI 1 of your contract) and/or you are not delivering in line with the other contracted KPIs. The tolerance level we will apply is set out in [annex F](#).

The reduction in your contract value will reflect some or all the under-delivery to

date outside of the tolerance. We may extrapolate the reduction forwards, which means we will reduce your contract value for the remainder of the year by the same percentage we reduce your year-to-date value. We will not change this approach unless there are exceptional circumstances.

We will apply the reduction unless:

- you believe that your delivery pattern is significantly different to the standard national profile
- you demonstrate you were impacted by data issues outside of your control
- the amount you are below profile is less than £25,000

Exceptional circumstances set out in the list above must be submitted using our [ASF performance management requests form 2024 to 2025](#) and by the deadline shown in [annex E](#). We will not accept any requests received after the deadline or submitted to a different email address.

If you do not require your full ESFA funded level 3 FCFJ offer contract value, you can voluntarily request to reduce (or remove) at the review point set out in [annex E](#). We will not accept requests after this date.

Increases to your ESFA funded level 3 FCFJ offer contract for services

We will fund delivery up to 110% at the end of the 2024 to 2025 funding year.

At the review point, set out in [annex E](#), we will use the information you provide in your ILR and EAS data to measure your performance against a standard national profile (see [annex G](#)).

At the review point set out in [annex E](#), we will offer additional level 3 FCFJ funding to providers that meet the following criteria (subject to affordability and meeting Public Contracts Regulations):

- you have delivered at least 90% of the standard national profile at the review point
- you have a good [track record](#)
- you are not in formal intervention with ESFA and not under additional conditions of funding or additional contractual obligations
- delivered in line with contracted KPIs

We may agree an exceptional case if you do not meet the criteria listed above. Exceptional requests are to review whether you are in scope for an increase. If accepted, you will be subject to the formulaic calculation and maximum growth limits. Requests must be submitted using our [ASF performance management requests form 2024 to 2025](#) and by the deadline shown in [annex E](#). We will not

accept any requests received after the deadline or submitted to a different email address.

We will calculate additional increases for providers that meet the criteria set out above using a nationally consistent formulaic calculation based on performance, maximum growth limits and affordability (not through a provider bidding/business case approach).

The maximum growth we will award at the review point is set out below:

2024 to 2025 contract value	Maximum growth
Up to £90,000	£45,000
More than £90,000	50% of your contract value

Increases are subject to affordability. In the event of calculated growth exceeding the available budget, we may not award the maximum value of growth available. The value of your increase is not guaranteed.

It is important that you make timely and accurate data returns at the review point, as this will help us to ensure your contract value is set at the correct level.

If we offer you growth and you do not have the capacity to deliver the additional funding, 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 let your provider-facing team lead know otherwise.

If you deliver more than your contract value, then the increase we award may not cover the full cost of delivery to date.

We will apply increases based on the standard national profile to the remaining months of your contract. However, we will prioritise existing over-delivery in prior months to ensure that this is funded first.

Future allocations will consider actual delivery against your funding agreement. Increases to your funding agreement will not automatically be consolidated into future years' allocations.

Annex A: Eligibility for funding

This annex sets out the countries falling within the below categories as referenced in the [residency eligibility section](#).

British Overseas Territories

- Anguilla
- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- Gibraltar
- Montserrat
- Pitcairn, Henderson Island, Ducie and Oeno Islands
- South Georgia and the South Sandwich Isles
- St Helena and its dependencies (Ascension and Tristan da Cunha)
- Turks and Caicos Islands

EEA

The EEA comprises of the following countries:

- All Member States of the European Union

You can access a list of member states on the [EU website](#).

With respect to EEA nationality, note that any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national.

- Iceland
- Lichtenstein
- Norway

The table below lists territories that are categorised as being within the EU and or territories that are categorised as being part of the listed countries such that they satisfy our residency requirements for the purposes of the ASF funding rules.

Country	Territories
Denmark	The following is part of Denmark and the EU: Greenland Faroe Islands

Finland	The following is part of Finland and the EU: Aland islands
France	The following is part of France and the EU: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon) The following is part of France: New Caledonia and its dependencies French Polynesia Saint Barthélemy
Germany	The following is part of Germany and the EU: Tax-free port of Heligoland
Netherlands	The following is part of the Netherlands: Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten) Aruba
Portugal	The following is part of Portugal and the EU: Madeira The Azores
Spain	The following is part of Spain and the EU: the Balearic Islands the Canary Islands Ceuta Melilla

Andorra, Macau, Monaco, San Marino and the Vatican are not part of the EU or the EEA.

Annex B: Devolution of adult education functions

Since 1 August 2019, devolved authorities with responsibilities for adult education for their residents and associated budgets have published their own funding rules for the providers they fund to deliver ASF funded provision to learners resident in their areas.

Nine combined authorities have responsibility for adult education functions in their areas. Details of all powers and funding that have been devolved to individual areas can be found through the [local government association website](#).

A delegation of adult education functions was made in relation to the Mayor of London, under [section 39A of the Greater London Authority Act 1999](#).

Annex C: Government contribution charts – text version

Lists 1 and 2 are the text version of charts 1 and 2 and show the level of government contribution for ESFA funded ASF.

Chart 1: 19 to 23 year olds

- English and maths for those aged 19 to 23 up to and including level 2; Must be delivered as part of the legal entitlement; Fully funded
- Essential digital skills qualifications up to and including level 1; Must be delivered as part of the digital legal entitlement qualifications; Fully funded
- First full level 2 entitlement (excluding English and maths); First full level 2 must be delivered as part of the legal entitlement qualifications: Fully funded
- Learning aims up to and including level 2 (Local flexibility offer); For those who meet the earnings threshold or unemployed criteria; Fully funded. For those who do not meet the earnings threshold or unemployed criteria; Co-funded
- First full level 3 legal entitlement; First full level 3 must be delivered as part of the legal entitlement qualifications; Fully funded
- Level 3 FCFJ offer; For those who meet the earnings threshold or unemployed criteria Fully funded (via ASF). For those above the earnings threshold and have not achieve a full level 3; fully funded (via ASF). For those above the earnings threshold and have achieved a full level 3; advanced learner loans
- ESOL learning up to and including level 2; For those who meet the earnings threshold or unemployed criteria; Fully funded. For those who do not meet the earnings threshold or unemployed criteria; Co-funded

Chart 2: 24+

- English and maths up to and including level 2; Must be delivered as part of the legal entitlement ; Fully funded
- Essential digital skills up to and including level 1; Must be delivered as part of the legal entitlement qualifications; Fully funded
- Level 2 and learning up to level 2 (local flexibility and access to L2 legal entitlement qualification as a policy addition); For those who meet the earnings threshold or unemployed criteria; Fully funded. For those who do not meet the earnings threshold or unemployed criteria; Co-funded
- Level 3 FCFJ offer; For those who meet the earnings threshold or unemployed

criteria; Fully funded. For those who do not meet the earnings threshold or unemployed criteria; [advanced learner loans](#)

- ESOL learning up to and including level 2; For those who meet the earnings threshold or unemployed criteria; Fully funded; For those who do not meet the earnings threshold or unemployed criteria; Co-funded

Annex D: Qualifications

Full level 2 qualification

Full level 2 is the level of attainment that is demonstrated by:

- a GCSE in 5 subjects, each at grade 4 (C) or above, or
- a Technical Certificate at level 2 which meets the requirements for the 16 to 19 performance tables

Please refer to the [qualification downloads – list of qualifications approved for funding](#) on GOV.UK or email qualifications.approval@education.gov.uk if you need advice on a previous qualification's designation.

Full level 3 qualification

Full level 3 is the level of attainment that is demonstrated by a:

- General Certificate of Education at the advanced level in 2 subjects
- General Certificate of Education at the AS level in 4 subjects
- QAA Access to Higher Education Diploma at level 3
- technical, or applied general qualification at level 3, which meets the requirements for the 16 to 19 performance tables
- core maths at level 3

Please email qualifications.approval@education.gov.uk if you need advice on a previous qualification's designation.

For new linear AS and A levels, where a learner enrolls on an AS qualification and continues with further study to take the A level qualification in the same subject, you must record both the AS and A level in the ILR. The AS learning aim will be funded separately to the A level learning aim.

Approved qualifications

Where you deliver regulated qualifications and/or their components, you must ensure they are [approved for ESFA funded ASF](#) and available on [find a learning aim](#).

[Qualifications and public funding](#) provides information on qualifications that are no longer approved for funding.

Where you deliver approved qualifications and/or their components, you must ensure that learners are registered for the qualifications and/or component in line with the awarding policies and procedures. You must not 'pre-register' students a significant period in advance of the learner starting the qualification.

We will fund qualifications that are linked to occupational regulation/licence to practice. You can find more information about these qualifications at the [qualifications website](#).

Before delivering a component, you must check with the awarding organisation that it provides a learner registration facility, and the learner can achieve it alone or as part of accumulating achievement towards a qualification.

If the [UK ENIC](#) has confirmed the authenticity of a qualification gained overseas and confirmed it is comparable/compatible with a regulated qualification in England, currently part of the level 2 and level 3 [legal entitlement](#), the individual will be deemed to have achieved their first full level 2 and/or level 3 qualification.

You must provide accurate unique learner number (ULN) information to awarding organisations and ensure all information you use to register learners for qualifications is correct. You can find more information in the [learner records service guidance](#).

Annex E: Evidence

Evidence pack

The evidence pack must contain evidence to support the funding claimed and must be available to us if we need it.

Evidence in the evidence pack must assure us that the learner exists.

The learner must confirm information they provide is correct when it is collected.

If the time spent in learning is short, the level of evidence in the evidence pack would reflect this.

Where you hold information centrally, you only need to refer to the source.

If applicable, the evidence pack must confirm the following:

- all information reported to us in the ILR, EAS, funding claims (if applicable) and all supporting evidence to substantiate the data that you report
- your assessment and verified evidence of eligibility for funding and a counter signed record of the evidence the learner has provided to support their eligibility for funding
- copies of all assessments and diagnostics undertaken to determine a learner's requirements
- evidence and information on prior learning that affects the learning or the funding of any of the learning aims or programme
- for 'personalised learning programmes', for example non-regulated learning aims, full details of all the aspects of the learning to be carried out, including supporting evidence of the number of planned hours reported in the ILR
- a description of how you will deliver the learning and skills and how the learner will achieve
- the supporting evidence about why you have claimed funding and the level of funding for a learner
- details and evidence of any learner or employer contribution
- support needs to be identified, including how you will meet these needs and the evidence of that
- that learning is taking or has taken place (including a work placement for continuing traineeship learners) and records are available
- if applicable, a learner's self-declaration as to what state benefit they claim
- a learner's self-declaration on their status relating to gaining a job
- all records and evidence of achievement of qualifications, learning aims or continuing traineeship learners. This must be available within 3 months of you reporting it in the ILR

Where the learner is unemployed, this must include a record of what you have agreed with them, including the relevance of the learning to their employment prospects and the labour market needs.

If a subcontractor delivers any provision to the learner, the provider must clearly identify the subcontractor. This must match the information reported to us in the ILR.

Confirmation and signatures

The learner must confirm the information is correct when it is collected. You must have evidence of this, which can include electronic formats.

We accept electronic evidence, including electronic/digital signatures. Where evidence is electronic, you must have wider systems and processes in place to assure you that learners exist and are eligible for funding.

Both electronic and digital signatures are acceptable. We do not specify which should be used, only that a secure process to obtain and store signatures is followed:

- an electronic signature is defined as any electronic symbol or process that is associated with any record or document, where there is an intention to sign the document by any party involved
- an electronic signature can be anything from a check box to a signature
- a digital signature is where a document with an electronic signature is secured by a process making it non-refutable
- it is a digital fingerprint which captures the act of signing by applying security to a document. Usually documents which have a digital signature embedded are extremely secure and cannot be accessed or amended easily

Where an electronic or digital signature is being held, from any party for any reason, you must ensure it is non-refutable. This includes the definitions of both wet and dry signatures. Systems and processes must be in place to assure to us the original signature has not been altered. Where any document needs to be renewed, and a new signature taken, it must be clear from when the new document takes effect, and both must be held.

You must keep effective and reliable evidence. You are responsible for making the evidence you hold easily available to us when we need it.

Starting, participating and achieving

You can only claim ESFA funded ASF when directly related learning starts. This would not include enrolment, induction, prior assessment, diagnostic testing or similar activities.

For your direct delivery, and any subcontracted delivery, you and your subcontractor(s) (where relevant) must have direct centre approval and direct qualification approval (where appropriate) from the respective awarding organisation for the regulated qualifications you are offering.

Delivery of the qualification (including learner registration with the awarding organisation) for direct delivery and any subcontracted delivery must be in line with

the qualification specification and guidance set out by the relevant awarding organisation.

You must have evidence that the learning took place and the learner was not certificated for prior knowledge.

Where the learning is certificated, you must follow the relevant awarding organisation's procedure for claiming the relevant certificate(s) and ensure the learner receives them. You must evidence this has happened in the evidence pack.

Leaving learning

You must report the learning actual end date in the ILR for a learner who leaves learning as the last day that you can evidence they took part in a learning activity.

ILR

You must accurately complete all ILR fields as required in the [2024 to 2025 ILR specification](#) even if they are not required for funding purposes.

The ILR must accurately reflect the learning and support (where applicable) you have identified, planned and delivered to eligible learners. You must not report inaccurate information that would result in an overstatement of the funding claimed.

Where your data does not support the funding claimed, we will take action to correct this, and we could recover funds you overstated.

Self-declarations by learners

All self-declarations must confirm the learner's details and describe what the learner is confirming for requirements set out in this guidance.

If a learner self-declares prior attainment, you must check this in the [personal learning record](#) and query any contradictory information with the learner. The personal learning record will not necessarily override the learner's self-declaration.

Annex F: Performance management reviews

For ASF and level 3 FCFJ review point tolerances and minimum thresholds, exceptions and first-time requests must be submitted using our [ASF performance management requests form](#).

Performance management reviews	December review point (increases, reductions and new requests)
Funding in scope for growth (increases calculated by ESFA)	Level 3 FCFJ offer – grant and contract for services (procured from August 2023) ASF – contract for services (procured from August 2023)
Funding in scope for new requests or top ups	Level 3 FCFJ offer – grant
Funding in scope for reductions	ASF – contract for services (procured from August 2023) Level 3 FCFJ offer – contract for services (procured from August 2023)
Tolerance for under-delivery	Where your delivery is 80% or below the cumulative profile to November
Tolerance for over-delivery	Where your delivery is 90% or above the cumulative profile to November
Lower threshold for contract value adjustments	£25,000
Exception case and first-time request form published	20 November 2024
Exception case and first-time request form to be sent to ESFA by	4 December 2024
Delivery information using the latest validated ILR data you provide	5 December 2024 (R04 data return)
Providers told the outcome by	17 January 2025

Annex G: Standard national profile

The following table represents the funding year periods where P1 is August and P12 is July. We will use this for performance management.

Type of profile	P1 August	P2 September	P3 October	P4 November	P5 December	P6 January
Monthly profile	8.36%	8.33%	8.33%	8.33%	8.33%	8.33%
Cumulative profile	8.36%	16.69%	25.02%	33.35%	41.68%	50.01%

This includes ESFA funded ASF and ESFA funded level 3 FCFJ offer allocation lines for grant and contract for services.

Annex H: Performance management overview

The following tables provide an overview of ‘section 3 – payments and performance management’ by contract and allocation lines.



AEB annex H (grant)



Procured from August 2023

Glossary

Term	Description
20+ childcare	A category of learner support to assist learners aged over the age of 20 who are at risk of not starting learning or leaving learning due to issues in obtaining childcare.
Advanced learner loan	Advanced learner loans are available for individuals aged 19 or above to undertake approved qualifications at level 3 to level 6 at an approved provider in England. Advanced learner loans give individuals access to financial support for tuition costs similar to that available in higher education and is administered by the Student Loans Company.
Annual gross	Gross salary is the total income before any deductions are

salary	removed from that amount. This total income is usually described as an annual salary, and it is the total amount an employee will receive for work completed before tax of national contributions are deducted.
ASF funding methodology	The funding methodology for individuals aged 19 and over, participating in ASF learning.
Benefit Status Indicator (BSI)	Complete the BSI to identify the claimant is receiving JSA (BSI 1) UC (BSI 4) or ESA (all categories) (BSI 5).
Break in learning	When a learner is not continuing with their learning but has told you beforehand that they intend to resume their learning in the future.
Care to Learn	A DfE scheme to assist young parents under the age of 20 with the childcare costs that may form a barrier to them continuing in education.
Components of regulated qualification	A subset of a qualification, which could be a unit.
Continuing learners	Learners who began learning in a previous funding year and remain in learning as of 1 August 2024.
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.
Digital entitlement	The study of EDSQs for learners who have digital skills assessed at below level 1. Qualifications that are designated up to and including level 1 are EDSQs and DFSQs.
Earnings adjustment statement (EAS)	The form providers need to fill in to claim funding that cannot be claimed through the ILR.
Earnings threshold	The earnings threshold is a new eligibility criteria that enables learners to be fully funded if they earn below £25,000.
Education, health and	An EHC plan replaces statements of special educational needs and learning difficulty assessments for children and young people

care (EHC) plan	with special educational needs. The local authority has the legal duty to 'secure' the educational provision specified in the EHC plan, that is, to ensure that the provision is delivered.
European Economic Area (EEA)	The European Economic Area, abbreviated as EEA, consists of the Member States of the EU and 3 countries of the European Free Trade Association (Iceland, Liechtenstein and Norway; excluding Switzerland). The Agreement on the EEA entered into force on 1 January 1994. Please refer to annex A for more information.
European Union	A list of member states is available on the EU website .
Employment status (formerly employed)	The main types of employment status are: worker employee self-employed and contractor director office holder More information on employment status is available.
English for speakers of other languages (ESOL)	The study of English by speakers of other languages.
ESFA funded ASF	Funding you can claim from ESFA for delivery of ASF eligible provision to individuals set out in the who we fund section .
Evidence pack	A collection of documents and information brought together to form a single point of reference relating to learning that is taking place. This must provide evidence to prove the learner exists, is eligible for funding, the planned learning to be provided and that learning has been delivered.
Exceptional learning support	Learning support funding to meet the costs of putting in place a reasonable adjustment for a learner who requires more than £19,000 in a funding year.
Find a learning aim	Find a learning aim provides online services to find the latest information on available qualifications, non-regulated learning, apprenticeship standards, T Levels and units. Standards will show you information on funding, dates and common components. Qualifications and units show you funding streams for courses and the last date learners can start.
Full level 2	The following qualifications are designated full at level 2: - General Certificate of Secondary Education in 5 subjects, each at

	<p>grade C or above, or grade 4 or above</p> <ul style="list-style-type: none">- a Technical Certificate at level 2 which meets or has previously met the requirements for 16 to 19 performance tables
Full level 3	<p>The following qualifications are designated full at level 3:</p> <ul style="list-style-type: none">- General Certificate of Education at the advanced level in 2 subjects- General Certificate of Education at the AS level in 4 subjects- QAA Access to Higher Education Diploma at level 3- technical or applied general qualification at level 3 which meets or has previously met the requirements for 16 to 19 performance tables- core maths qualification at level 3
Full- or co-funding indicator (FFI)	<p>Indicates whether a learning aim is fully funded or co-funded in adult skills or other adult funding.</p>
Functional Skills	<p>Applied practical skills in English, maths and digital that provide the learner with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work.</p>
Funding agreement	<p>The agreement between the Secretary of State for Education acting through ESFA and providers that receive funding for education and skills training.</p>
Funding model (11 and 38)	<p>Identifies the funding methodology we apply to submission of finalised ILR data. For ASF funding, funding model 11 (tailored learning) and 38 (adult skills) are used, noting model 11 is non-formula funded (as in, ILR data does not generate a funding rate and is paid on monthly profile) and model 38 is formula funded. More information is available in the 2024 to 2025 ILR specification.</p>
Funding year	<p>The ESFA’s adult funding system operates on a funding year basis, which starts on 1 August and finishes on 31 July.</p>
General Data Protection Regulation (GDPR)	<p>The GDPR is retained in domestic law as the UK GDPR, but the UK has the independence to keep the framework under review. The ‘UK GDPR’ sits alongside an amended version of the Data Protection Act 2018.</p>
Hardship	<p>Within learner support, a category of support to assist vulnerable and disadvantaged learners to remove barriers to education and training.</p>
Individualised learner record (ILR)	<p>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</p>

allocate funding for further education.

ILR specification	The ILR specification is the technical documents, guidance and requirements to help providers collect, return and check ILR and other learner data.
Job outcome payments	Payments made for learners who are unemployed at the start of learning who cease learning to take up a job.
Learner residency	<p>We use the term ‘resident’ or ‘residence’ in this guidance for different purposes.</p> <p>Residence in the UK, EU and EEA has specific definitions in education law, and this is set out in the residency eligibility section.</p> <p>Following the devolution of adult education functions, there is a new emphasis on residence in England, in determining and evidencing eligibility for ESFA funded ASF – see the who we fund section and evidence section.</p> <p>This means the permanent residency of an individual in England (as in, not a temporary address for duration of learning taking place), immediately before enrolment determines eligibility for ESFA funded ASF.</p>
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. May be used to ‘top up’ childcare costs for 19-year-old learners receiving Care to Learn funding if their costs exceed the weekly maximum rates for that scheme
Learning aim	Statements that describe the overarching intentions of a course.
Learning aim reference number	The unique 8-character code used to identify a specific learning aim.
Learning delivery monitoring (LDM)	A code used as part of the ILR to indicate participation in programmes or initiatives.
Learning planned end date	The date entered onto the ILR when the learner is expected to 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.
Legal entitlements	<p>ESFA funded ASF includes support for 4 legal entitlements to full funding for resident eligible adult learners.</p> <p>These entitlements are set out in the Apprenticeships, Skills and</p>

[Children Learning Act 2009](#) and include:

English and maths, up to and including level 2, for individuals aged 19 and over, where the learner has not achieved grade 4 (C) or higher, or where the learner has been assessed as having an existing skill level lower than grade 4 (even if they have previously achieved a GCSE or equivalent qualification in English and maths) and/or,
first full qualification at level 3 for individuals aged 19 to 23
essential digital skills qualifications, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

Leisure learning	Defined as learning where the primary or sole intent of the learning is for leisure. This applies to curriculum intent and to the learner’s purpose for undertaking the learning. For example, a learner may participate on a course within the learning aim ‘creative arts’ to improve their confidence, and another to improve their wellbeing. Similarly, a learner may participate on a course within the learning aim ‘volunteering, active citizenship’ to develop employability skills, another to contribute to community life.
Local flexibility	Regulated qualifications, and/or their components, that we fund, which is not part of the English and maths, or level 2 or level 3 legal entitlement offer. All regulated that is available for funding through the flexible local offer is listed on find a learning aim .
Multiply	Multiply is an adult numeracy programme being delivered across Mayoral Combined Authorities/Greater London Authority and upper tier/unitary authorities outside of those areas in 2024 to 2025.
Non-regulated learning	Learning which is not subject to awarding organisation external accreditation in the form of a regulated qualification. It may be designed, delivered and certificated by a provider or another organisation. This could include: <ul style="list-style-type: none">- independent living skills- engagement and confidence building- employability skills- labour market re-entry- essential skills (English, maths, digital) and ESOL
Ofqual	The Office of Qualifications and Examinations Regulation , which regulates qualifications, examinations and assessments in England.
Ordinarily resident	For funding purposes, a person who normally lives in the UK, are allowed to live there by law and return there after temporary trips outside the country.

This form must be used at the [performance management](#) reviews

Performance management requests form (ASF)	for exceptions to reductions or increases and first-time requests.
Personal learning record	A database that allows individual learners access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities or employers.
Policy entitlements	Alongside to the legal entitlements the ESFA have policy entitlements allowing full funding for residency eligibility learners, over 19-years-old, and meet the earnings threshold criteria or are unemployed. These include: <ul style="list-style-type: none">- level 2 and below local flexibility including ESOL- FCFJ- work placements- HGV- SWAP- Princes Trust
Recognising and recording progress and achievement (RARPA)	The Learning and Work Institute have published updated RARPA guidance . This comprises a clear framework designed to support learners through the learning process, identifying key outcomes. It provides a robust approach to quality assurance and improvement of non-regulated provision with a focus on self-assessment that supports standards acceptable to the Office of Standards in Education, Children’s Services and Skills (Ofsted). You can access further information from the Learning and Work Institute .
Recognition of prior learning (RPL)	An assessment method that considers whether a learner demonstrates that they can: <ul style="list-style-type: none">- meet the outcomes for a qualification or a component of a qualification through knowledge, understanding, or- skills they already have and so do not need to undertake a course of learning for that component or qualification
Regulated Qualifications Framework (RQF)	The RQF provides a way of understanding and describing the relative level and size of qualifications. The RQF, operated by Ofqual, is a single regulatory framework containing a range of general, technical and professional qualifications.
Residential support	Support provided under learner support to learners receiving specialist provision, which involves a residential element, or to support learners who cannot receive provision locally.
Sector-based work academy programme (SWAP)	SWAP is a DWP scheme that offers pre-employment training, work experience placements and a guaranteed job interview for recipients of JSA, UC (all work-related requirements group) or ESA.

Self-declaration	A process where the learner can confirm something through his or her own signature.
Skills Bootcamp	A Skills Bootcamp is a bespoke employer-led level 3 to 5 programme, designed to meet skills needs within the economy. Following a procurement process, the Skills Bootcamp programme began in August 2022.
Start of learning	The date on which learning begins. We do not consider enrolment, induction, diagnostic assessment or prior assessment to be part of learning.
State benefits	State benefits are contributions, both financial and non-financial, made by central and local government to individuals in certain circumstances to meet their day-to-day living needs.
Study programme	Study programmes are for learners aged 16 to 19 and cover all levels up to level 3. Funding is for each learner, rather than for each qualification and can only have one core aim at a time.
Tailored learning	<p>As part of the new adult skills fund, the term tailored learning brings together what was AEB community learning, formula-funded AEB non-regulated learning (previously delivered through adult skills) and any new employer-facing innovative provision that is not qualification based.</p> <p>The primary purpose of tailored learning is to support learners into employment and to progress to further learning, in line with the overall purpose of the ASF. It will, however, also support wider outcomes including using it to improve health and wellbeing, equip parents/carers to support their child’s learning and develop stronger and more integrated communities.</p>
Tailored learning funding	Contract for services will not have a tailored learning allocation or access to deliver non-regulated provision. Funding model 11 is the ESFA funded ASF tailored funding model that providers must use alongside the funding claim for 2024 to 2025.
Unique learner number (ULN)	A 10-digit number used to match a learner’s achievement to their personal learning record.
Work placement	A placement with an employer in a workplace setting as part of a continuing learner’s offer.
Young people’s funding methodology	The funding methodology for individuals aged 16 to 19 (and those aged 19 to 24 with an EHC plan). You can access 16 to 19 funding methodology on GOV.UK.

1. Persons with the right of abode have the right to live and work in the UK without any immigration restrictions. Further details can be found in the [prove you have right of abode in the UK](#) on GOV.UK. [↪](#)
2. This refers to the 7-year offer for UK nationals in EEA and Switzerland. More information on the 7-year offer can be found at [UK nationals in the EEA and Switzerland: access to higher education and 19+ further education](#) on GOV.UK. [↪](#)
3. Further information can be found at [apply for an EU Settlement Scheme family permit to join family in the UK: apply if you're joining a person of Northern Ireland](#) on GOV.UK. [↪](#)
4. As defined in the Immigration Rules Appendix '[victim of domestic abuse](#)' on GOV.UK. [↪](#)
5. As defined in the Immigration Rules Appendix '[bereaved partner](#)' on GOV.UK. [↪](#)
6. A child of a person who has received leave under [section 67 of the Immigration Act 2016](#) will come under this bullet point where they have been granted 'leave in line' by virtue of being a dependent child of such a person. [↪](#)
7. A child of a person who has received Calais leave to remain will come under this bullet point where they have been granted 'leave in line' by virtue of being a dependent child of such a person. [↪](#)

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