

Adult Education Budget Basics

David Lockhart-Hawkins
Strategic Associate, SDN

Introductions

Webinar facilitator



David Lockhart-Hawkins
SDN Strategic Associate

Webinar chair



Tim Chewter
*SDN Head of Business
Development*

Sources of Information

- **The Rules** *“ESFA funded adult education budget (AEB): funding and performance management rules 2020 to 2021”:*

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/960953/ESFA funded adult education budget AEB funding and performance management rules 2020 to 2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/960953/ESFA_funded_adult_education_budget_AEB_funding_and_performance_management_rules_2020_to_2021.pdf)

- **How the funding works** *“ESFA Funded Adult Education Budget Funding Rates and Formula 2020 to 2021”:*

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/956690/ESFA Funded Adult Education Budget Funding rates and formula 2020 to 2021 v4.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/956690/ESFA_Funded_Adult_Education_Budget_Funding_rates_and_formula_2020_to_2021_v4.pdf)

- **How to record it and get paid** *“Provider Support Manual for 2020 to 2021”:*

<https://guidance.submitlearnerdatabeta.fasst.org.uk/previous/20-21/psm>

- **What to record to get paid** *“Specification of the Individualised Learner Record for 2020 to 2021”:* <https://guidance.submitlearnerdatabeta.fasst.org.uk/previous/20-21/ilr>

Programmes

1) The Legal Entitlements

Maths & English

- (below C/4)

First full level 2

- Aged 19-23

First full level 3

- Aged 19-23

Digital Skills to level 1

- Those below L1

Qualifications approved for funding: <https://www.qualifications.education.gov.uk/>
<https://www.gov.uk/government/publications/essential-digital-skills-framework>
<https://guidance.submitlearnerdatabeta.fasst.org.uk/ilr/field/priorattain>

Programmes

2) Local flexibility

Flexible tailored provision

- e.g. provision for the unemployed
- Provision for low waged
- Learning in the workplace
- Non-regulated learning

Qualifications approved for funding:
<https://www.qualifications.education.gov.uk/>

Programmes

3) COVID-19 Skills Recovery Package

Sector Based Work Academy Programme (SWAP)

- Up to 6 week programme for Jobcentre Plus claimants
- Pre-employment training
- Work experience placement
- Job interview

High value courses for school/college leavers

- Level 2 & 3 to support industrial strategy for high risk of NEET

Qualifications approved for funding:
<https://www.qualifications.education.gov.uk/>

Programmes

4) National Skills Fund

Adults without an existing full level 3

- Aged 19+
- Specific list of qualifications designed to support skills in the labour market

Qualifications approved for funding:

<https://www.gov.uk/government/publications/qualifications-in-new-funded-offers>

Programmes

5) Other

Community Learning

- Local provision built around progression in learning, improving health and wellbeing, strengthening communities

Princes Trust Team Programme

- Aged 16-25, 12 week programme

English for Speakers of Other Languages (ESOL)

Traineeships for 19-24

- Aged 19-24
- Work placement and work preparation, progression routes important

Funding Principles

AEB Funding foundations

Funding by
aim

80% funded
on
programme

20% funding
on
achievement

Learning
Support

Area cost
uplift

Disadvantage
uplift

The right aims
for the
provider

The right aims
for learners

Funding Principles

AEB Funding – Base rates

Funding band – Hours	Activity type	Programme weighting (PW)				
		A – Base (unweighted)	B – Low	C – Medium	D – High	E or G* (specialist)
Up to 2	Very small provision (1)	£14	£16	£18	£22	£24
3 to 4	Very small provision (2)	£21	£24	£27	£34	£36
5 to 6	Very small provision (3)	£35	£39	£46	£56	£60
7 to 12	Small provision (1)	£50	£56	£65	£80	£86
13 to 20	Small provision (2)	£100	£112	£130	£160	£172
21 to 44	Small provision (3)	£150	£168	£195	£240	£258
45 to 68	Medium provision (1)	£300	£336	£390	£480	£516
69 to 92	Medium provision (2)	£450	£504	£585	£720	£774
93 to 100	Medium provision (3)	£600	£672	£780	£960	£1,032
101 to 196	Large provision (1)	£724	£811	£941	£1,159	£1,246
197 to 292	Large provision (2)	£1,265	£1,417	£1,645	£2,025	£2,176
293 to 388	Large provision (3)	£1,987	£2,225	£2,583	£3,179	£3,417
389 to 580	Very large provision (1)	£2,573	£2,882	£3,345	£4,117	£4,425
581 to 1060	Very large provision (2)	£4,170	£4,670	£5,421	£6,671	£7,172
1061 or more	Very large provision (3)	£6,602	£7,395	£8,583	£10,564	£11,356

<https://findalearningaimbeta.fasst.org.uk/>

Source: AEB Funding Formula

Funding Principles



AEB Funding – Full or co-funding

- Know your programme
- *Co-funded means 50% reduction to funding rate*
- *Expectation of learner or employer paying the difference*

Government contribution table

158. The level of government contribution for ESFA funded AEB is as follows.

Provision	19 to 23-year-olds	24+ unemployed	24+ other
English and maths, up to and including level 2 (Must be delivered as part of the legal entitlement)	Fully funded*	Fully funded*	Fully funded*
Essential Digital Skills Qualifications up to and including level 1	Fully funded*	Fully funded*	Fully funded*
Level 2 (excluding English and maths) (First full level 2 must be delivered as part of the legal entitlement)	Fully funded*= (first and full)	Fully Funded	Co-funded+
Learning to progress to level 2	Fully funded* (up to and including level 1)	Fully funded	Co-funded+
Level 3 legal entitlement (learners first full level 3)	Fully funded*=	N/A	N/A
Level 3 adult offer (learners without a full level 3 or above accessing a qualification on the Level 3 adult offer qualifications list)	Fully funded=	Fully funded	Fully funded
Level 3 (a learner has already achieved a full level 3)	Loan-funded**=	Loan-funded	Loan-funded
Traineeship#	Fully funded (including 16- to 24-year-olds##)	N/A	N/A
English for speakers of other languages (ESOL) learning up to and including level 2	Co-funded+	Fully funded	Co-funded+
Learning aims up to and including level 2, where the learner has already achieved a first full level 2, or above	Fully funded – unemployed		
Learning aims up to and including level 2, where the learner has not achieved a first full level 2, or above	Co-funded+		
Learning aims up to and including level 2, where the learner has not achieved a first full level 2, or above	Fully funded – unemployed	Fully funded	Co-funded+
Learning aims up to and including level 2, where the learner has not achieved a first full level 2, or above	N/A	Fully Funded	Co-funded+

*Must be delivered as one of the English and maths, Digital entitlement and/or first full level 2 or first full level 3 qualifications required as part of the legal entitlements.

*Must be delivered as entry or level one provision from local flexibility.

Excludes flexible element where funding depends on age and level.

16- to 18-year-old learners must be eligible under the [ESFA's young people's residency requirements](#).

** Availability of loans at level 3 does not replace the legal entitlement to full funding for learners aged 19 to 23 undertaking their first full level 3.

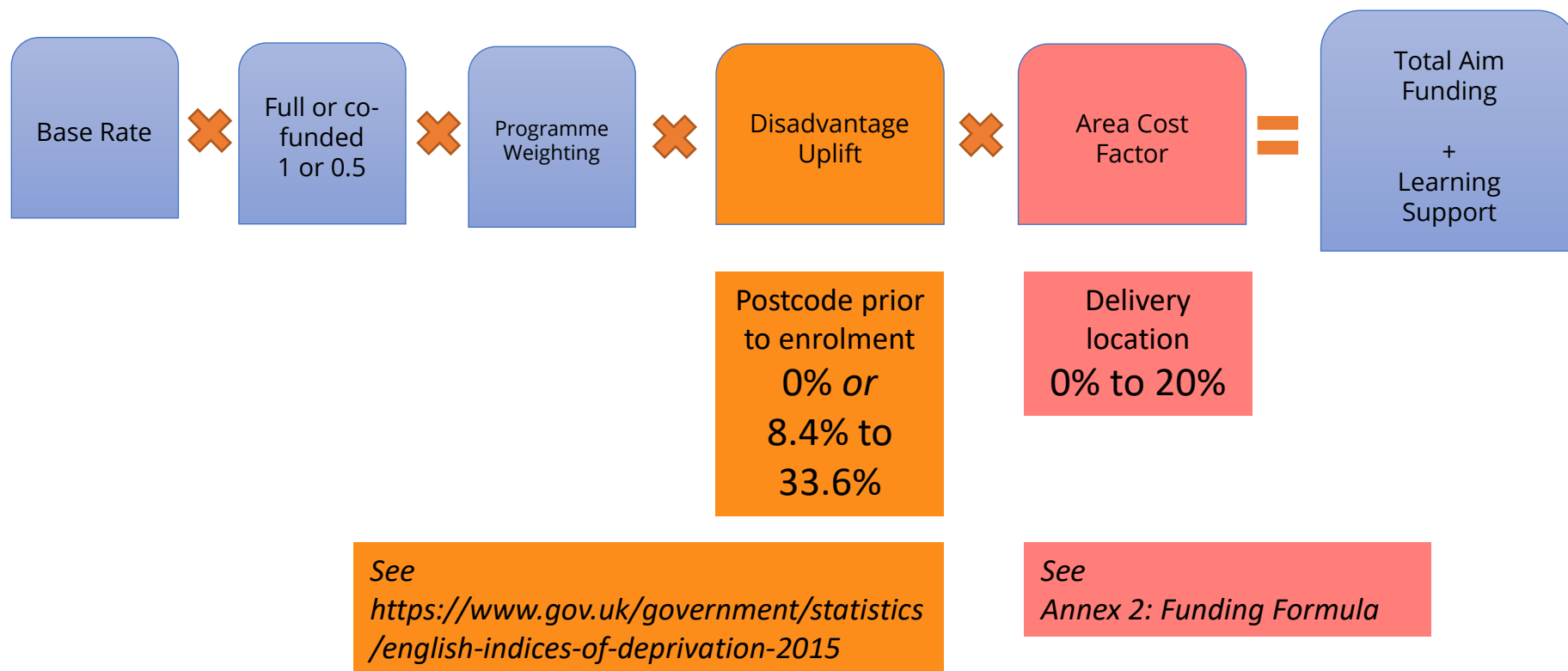
+ Low wage flexibility may apply, refer to paragraph 161.

= One year high value courses for school and college leavers: skills offer for 19-year-olds, may apply refer to paragraphs 166 to 168

Source: AEB Funding Rules p11

Funding Principles

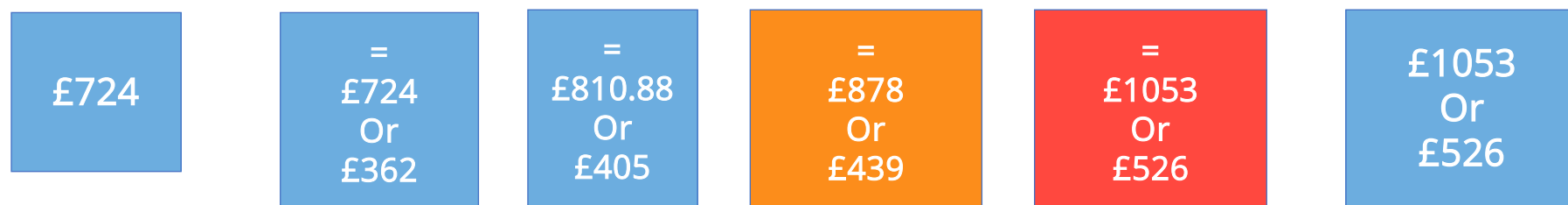
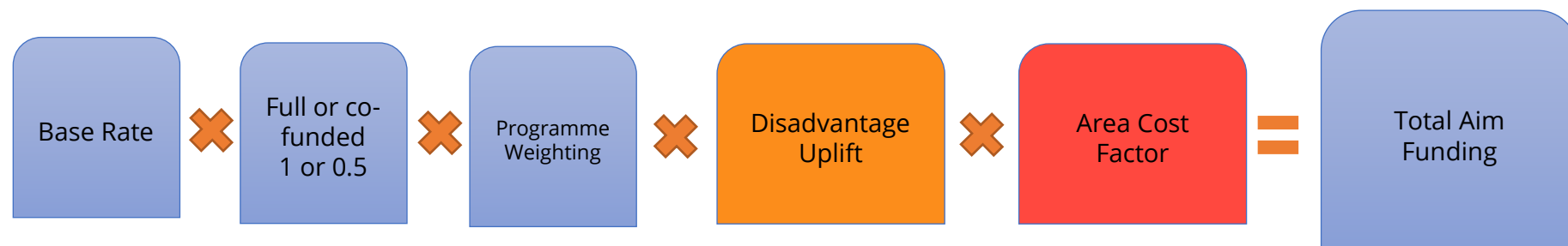
AEB Funding – Funding Formula



<https://www.gov.uk/government/publications/uplift-factors-and-postcode-files>

Funding Principles

Example - Full or co-funded with disadvantage and Central London delivery



<https://www.gov.uk/government/publications/uplift-factors-and-postcode-files>

Funding Principles

AEB Funding – Funding distribution

On Programme
payments (80%
of rate)

Achievement
(20% of rate)

Figure 1: Example of the earnings methodology.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	9-month learning aim											
Payment instalments		OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	Achievement payment	
		OPP										
Payment example		£160	£80	£80	£80	£80	£80	£80	£80	£80	£200	

Source: AEB Funding Formula

Funding Principles

AEB Funding – Qualifying Period for funding

Length of the learning aim	Qualifying period
168 days	42 days
14 to 167 days	14 days
Fewer than 14 days	1 day

Funding Principles

AEB Funding – Budgeting considerations

The weighted
funding rate of
your aims

The rate of co-
investment for the
client group

Area cost averages

Disadvantage
averages

Retention rates for
your provision

Achievement rates
for your provision

The amount of
prior learning
common in your
client group

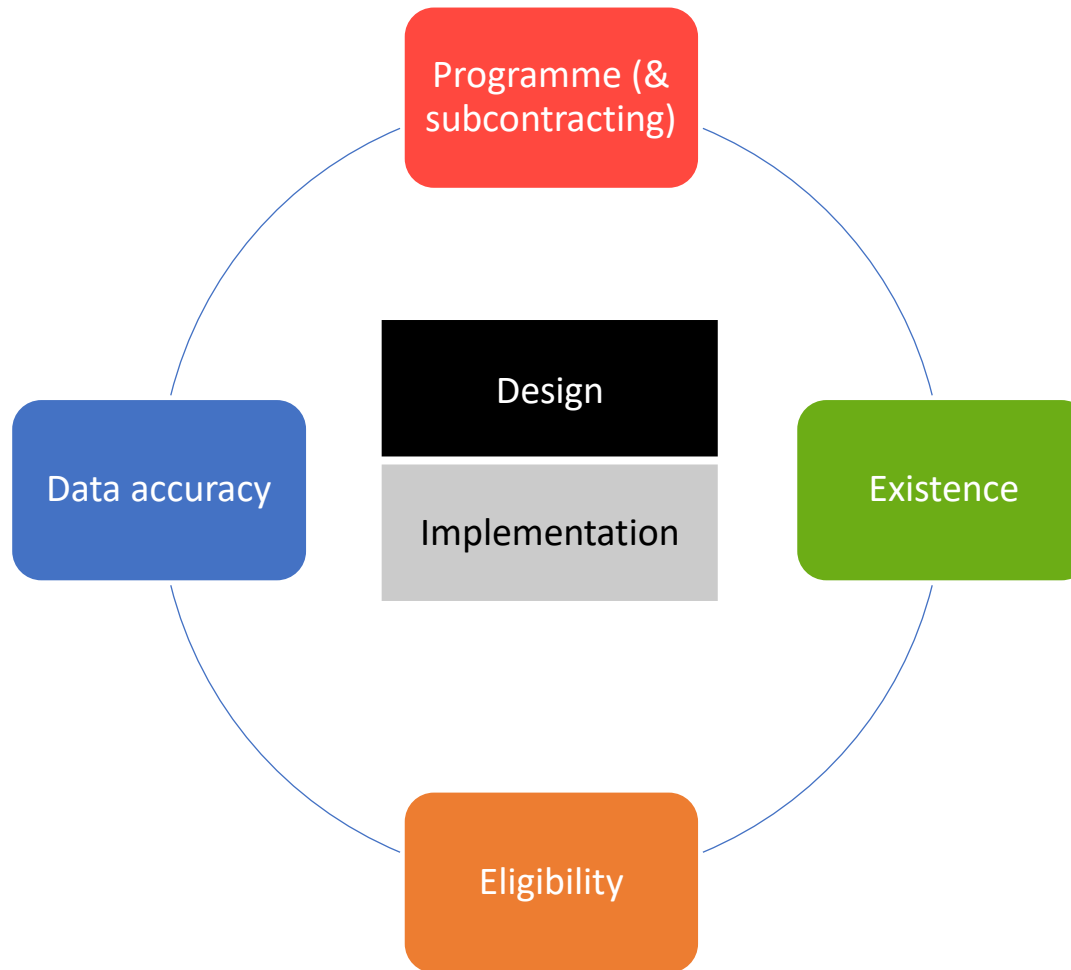
Any fee
contributions for
co-investment

Learning support

Job outcomes

Aim distribution

Compliance foundations



AEB Compliance Foundations © David Lockhart Hawkins

Compliance Foundations

Programme (&
subcontracting)

Programme considerations

Aims: GLH &
Method of
delivery

Aims:
Awarding
body approval

Who delivers?

No second
level
subcontracts

ESF Match
Funding

Recognition of
Prior Learning

Compliance Foundations

Eligibility

Delivery
location

England or
EEA residency

Full or co-
funded

Importance of
self-
declaration

**Eligibility
considerations**

Fees policy

Enrolment &
Signatures

Compliance Foundations

Existence

Existence considerations

Evidencing start

Evidencing
learning taking
place

Consideration
of model of
delivery

Monitoring
engagement

Achievement
evidence within
3 months

Destination &
Progression

Compliance Foundations

Data accuracy

ILR Fields

Learning
Support

Actual end
dates

Breaks in
learning

Authenticity of
source

Timeliness &
Communication

Data
considerations

Funding Principles

Evidence Pack Considerations

How you capture
the ILR data

Enrolment

Learning
Agreement /
Individual Learning
Plan

Engagement or
participation
evidence

Achievement
evidence

Progress Review /
Learning Support
Review

Key considerations for compliance



Programme
design

Eligibility

Existence

Data
control

Evidence
Pack design

Engagement
frequency

Monthly
claim process

Monitor
earnings

Understand
client group

Infrastructure

Support with AEB compliance

**LOCKHART
HAWKINS**

- Form Design
- Compliance Review
- Mock Audit
- Strategic Advisory
- Programme Design
- Qualitative Review

Contact us on:

hello@strategicdevelopmentnetwork.co.uk



Support with AEB tender

APPLICATION REVIEW

Expert independent review prior to submission

FULL SUBMISSION AND WRITING SERVICE

Full support with written responses and tender submission

For more information, visit:

strategicdevelopmentnetwork.co.uk/aeb-tender-support



Questions and answers

*Type your questions into the
webinar panel*

Thank you

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