



Pearson



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A guide to the  
**Adult Education  
Budget, Advanced  
Learner Loans** and the  
**Level 3 Free Courses  
for Jobs offer 2023/24**

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# A guide to the Adult Education Budget, Advanced Learner Loans and the Level 3 Free Courses for Jobs offer 2023/24

## Adult Education Budget (AEB)

### Where can I find qualifications from Pearson that are eligible for AEB funding?

All qualifications from Pearson that can be funded using Adult Education Budget (AEB) funding can be found on our [Adult Education Funding webpage](#).

PDF documents showing [eligible qualifications by sector](#) can also be downloaded.

You can also use the [downloadable data file](#) to access the full list of our AEB, ALLB and Level 3 Free Courses for Jobs offer qualifications for 2023/24.

### What is the purpose of the AEB?

The AEB is a funding stream which supports and engages adults (19+ year-olds) to provide the skills and learning they need to progress into work or equip them for an apprenticeship or other learning.

Providers are expected to use their AEB funding to respond to the priorities set by local commissioners and other stakeholders, for example, local enterprise partnerships and their [Skills Advisory Panels](#).

### What is not covered by the AEB?

The AEB does not cover:

- 16-19 year-olds;
- Apprenticeships;
- education and training services funded by the European Social Fund;

- individuals resident in an area where the AEB is devolved unless they meet certain criteria;
- 19+ advanced learner loans.

### What does devolution of the AEB mean?

As part of the devolution deals, certain adult education functions which are usually funded under the AEB have been transferred from the Secretary of State for Education to the devolved Mayoral Combined Authorities (MCAs). These functions have been delegated to the Mayor of London in respect of the Greater London Authority (GLA).

The MCAs in nine devolved areas and the GLA will make their own commissioning decisions about where to allocate AEB funds for delivery to residents of devolved areas.

The AEB is therefore split into:

- ESFA funded AEB budget for ESFA to distribute, and
- Ten devolved AEB budgets for MCAs and the GLA to distribute.

### What is exempt from devolved AEB funding?

Continuing AEB funded individuals who are resident in devolved authority areas, who have not completed their learning by 31 July 2023, but started their learning before the authority's devolution date are exempt from devolved funding and will be funded nationally.

## What are the funding rules for the non-devolved AEB?

### *Who and what can be funded?*

AEB funding is focussed on specific provision, for particular groups of learners, and can be fully funded or co-funded:

- **19-23 Entitlement funding:** Level 2 and 3, qualifications only, for 19–23-year-olds who do not hold a Level 2 or Level 3 qualification. This is fully funded.
- **19+ Local Flexibility funding:** Flexible tailored provision from Entry to Level 2, including qualifications, units and non-regulated learning, for 19+ year-olds. This is either fully or co-funded, depending on the learner's age and employment status.
- **English and Maths Entitlement funding:** Entry to Level 2, GCSEs and Functional Skills qualifications, other English and Maths qualifications and units, for 19+ learners who have not previously attained a GCSE grade A\* to C or grade 4, or higher, in English and maths. This is fully funded.
- **Digital Skills Entitlement funding:** Entry and Level 1, **Digital Skills Qualifications available from September 2020**, for adults who don't have the basic digital skills they need for life and work. This is fully funded.
- **ESOL funding:** Entry to Level 2, qualifications and units for 19+ learners. This is fully funded for the unemployed, and co-funded for the employed.

Also see the summary table at the front of our [sector lists of qualifications](#).

### *Has the way the funding rates for provision are calculated changed?*

There are no changes to how the ESFA set funding rates or the funding calculation in the funding year 2022/23.

It remains: Funding = rate x disadvantage uplift x area cost uplift.

### *What does 'co-funded' mean?*

In some cases the government expect learners and employers to share responsibility for investing in eligible provision and a learner is 'co-funded'.

Where this is the case, the funding rate is reduced by 50% of the un-weighted rate. The un-weighted rate is the funding rate calculated based on the size of the provision, but which does not include the weighted costs.

Weighted costs are added to reflect how expensive the provision is due to the costs associated with the subject or sector, for example the costs associated with running an engineering course rather than a business course.

The funding is reduced using the un-weighted rate to ensure the learner or the employer does not pay more just because the provision they are taking is more costly to deliver.

This means that the government will contribute more towards learning aims with higher operational and delivery costs.

### *What flexibility is there for the low-waged in 2022/23?*

The ESFA introduced the AEB low-wage trial for 2018/19 to support adults in low-paid employment and who want to progress further in work and in their chosen career. The low wage flexibility is still in place for the 2022/23 academic year.

The flexibility for the low-waged means that learners can be fully funded if they are employed, or self-employed, and would normally be co-funded for provision, up to and including level 2. You must be satisfied the learner is both eligible for co-funding and earns less than £20,319 annual gross salary.

### *How are Adult Traineeships (19-24) funded under the AEB?*

**Adult Traineeships (19-24) are funded through:**

- A single work-placement and work-preparation rate of £1,500 (for traineeships starting on or before 31 August 2020 the rate was £970)
- Funding for the GCSE English and maths (if required) or level 2 Functional Skills, or other qualifications to support progress towards GCSE or Functional Skills
- Funding for the flexible element designed to help the learner move into work or remove a barrier to them entering work.

Both the English and maths, and the flexible elements of Traineeships, are funded using the same method as ESFA funded AEB provision. All qualifications from Pearson that can be funded using Adult Education Budget (AEB) funding can be found on our [Adult Education Funding webpage](#). Traineeships are exempt from devolved AEB funding and will be funded nationally (see below for more on devolved funding).

## What are the funding rules for the devolved AEB?

Devolved authorities will publish their own funding rules that will apply to providers in receipt of devolved AEB funding, for AEB delivery to residents in their areas.

### *Where is the AEB devolved?*

The AEB is devolved to nine MCAs and the GLA:

- Cambridgeshire and Peterborough Combined Authority
- Greater London Authority
- Greater Manchester Combined Authority
- Liverpool City Region Combined Authority
- Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority
- South Yorkshire Combined Authority
- Tees Valley Combined Authority
- West Midlands Combined Authority
- West of England Combined Authority
- West Yorkshire Combined Authority

### *Who do I speak to about the AEB if I deliver to adults living in devolved areas and want to access AEB funding?*

Providers who wish to deliver to learners residing in areas where the AEB funding support is devolved will need to discuss funding arrangements directly with the relevant MCA. Further information for each combined authority can be found via the [Local Government Association website](#).

## What has happened to Adult Traineeships?

On 10 December 2022, the government announced that traineeship provision would be integrated into adult education provision from 1 August 2023. This means the ESFA will no longer fund the delivery of traineeships through a national programme.

The last date on which funded providers can enrol an eligible learner on a traineeship start on the national programme under the framework for delivery 2022 to 2023 is 31 July 2023.

Adult learners can still be funded to take work preparation. They can be enrolled on a qualification in the 'work preparation' category on the [Find a learning aim database](#).

19-23-year-olds can still be funded to take a work placement. Eligible learners aged 19 to 24 must undertake a work placement aim alongside at least one other learning aim from the AEB core offer.

in areas where the adult education budget has been devolved, Mayoral Combined Authorities and Greater London Authority will decide on how best to support young adults in their areas.

# Level 3 Free Courses for Jobs offer (FCFJ)

(part of the AEB)

## Where can I find qualifications from Pearson that are eligible for the Level 3 Free Courses for Jobs offer?

All qualifications from Pearson that are eligible for the Level 3 Free Courses for Jobs Offer can be found on our [Adult Education Funding webpage](#).

PDF documents showing [eligible qualifications by sector](#) can also be downloaded.

You can also use the [downloadable data file](#) to access the full list of our AEB, ALLB and Level 3 Free Courses for Jobs offer qualifications for 2023/24. This data file includes information on which qualifications in the offer are identified as “short”/the funding categories (see below for more information).

## What is the purpose of the Level 3 Free Courses for Jobs offer?

The offer is for all adults without a full level 3 qualification and supports the development of new skills for adult learners to improve their prospects in the labour market. The offer also opens up choice for those eligible for 19-23 Entitlement funding under the AEB as it allows learners to choose qualifications from either list.

## Is the Level 3 Free Courses for Jobs offer devolved?

Funding for the new level 3 adult offer will be delivered through the Education and Skills Funding Agency in non-devolved areas and delivered through MCAs and the GLA through a separate grant.

## What are the funding rules for the Level 3 Free Courses for Jobs offer?

### *Who and what can be funded?*

The Free Courses for Jobs offer is focussed on level 3 qualifications for adults aged 24+ who do not hold a full level 3 qualification.

Learners who are unemployed or in receipt of a low wage can be fully funded even when they already have a level 3 qualification or higher.

### **Learners also eligible for 19-23 entitlement:**

- Those eligible for AEB 19-23 entitlement funding can choose a qualification from the list of qualifications eligible for the AEB 19-23 entitlement or the Level 3 Free Courses for Jobs offer.
- If a learner who is eligible for AEB 19-23 entitlement funding chooses a qualification eligible for the AEB 19-23 entitlement they will have exercised their level 3 legal entitlement.
- If a learner takes a qualification from the Level 3 Free Courses for Jobs which is not on the 19-23 entitlement list, they will still remain eligible to take a qualification from AEB 19-23 entitlement.

### ***‘Short’ courses and the Level 3 Free Courses for Jobs level 3 adult offer only***

- If a learner chooses a qualification eligible for the Level 3 Free Courses for Jobs which the ESFA identify as a ‘short’ qualification, they will remain eligible to take another qualification from the list. These qualifications have a category code ‘46’.

### ***Is the way these courses are funded different from the way courses are funded under the AEB?***

Yes.

- The weighted rate for the qualifications will be increased by either £150 or £600 depending on whether the courses are short or not.
- The £150 uplift is available for qualifications of 359 guided learning hours or below (have a category code ‘46’).
- The £600 uplift is available for qualifications of 360 guided learning hours or above (category code ‘45’).
- The £150 or £600 will also be increased by the area cost uplift and/or disadvantage uplift if applicable.

## **What budgets are used for the Level 3 Free Courses for Jobs offer?**

Learners aged 19-23 taking their first level 3 qualification using the level 3 adult offer will be funded through the AEB.

Learners aged 24+ taking their first level 3 qualification using the level 3 adult offer will be funded through an NSF Free Courses for Jobs' funding line.

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## Advanced Learner Loans (ALL)

### Where can I find qualifications from Pearson that are eligible for Advanced Learner Loan funding?

All qualifications from Pearson that are eligible for Advanced Learner Loan funding can be found on our [Adult Education Funding webpage](#).

PDF documents showing [eligible qualifications by sector](#) can also be downloaded.

You can also use the [downloadable data file](#) to access full list of our AEB, ALLB and Level 3 Free Courses for Jobs offer qualifications for 2023/24.

### What is the purpose of Advanced Learner Loans?

Advanced Learner Loans provide a source of fees and support to help people aged 19+ undertake general and technical qualifications at Levels 3, 4, 5 and 6. By taking out a loan a learner is taking direct responsibility for their learning.

### Are Advanced Learner Loans devolved?

Unlike the AEB, Advanced Learner Loans are not devolved. They are managed centrally by the ESFA.

### What are the funding rules for Advanced Learner Loans?

#### *Who and what can be loan funded?*

Loans are not means-tested and are available to learners who are:

- Aged 19 or older on the first day of starting their designated loans qualification,
- studying in England, with a provider in receipt of a loan facility from the ESFA
- studying one or more designated loans qualifications at Levels 3, 4, 5, or 6.

Also see the summary table at the front of our [sector lists of qualifications](#) on our [Adult Education Funding webpage](#).

### *Has the way the maximum loan amounts are calculated changed?*

There are no changes to how the ESFA set the maximum loan amounts. The ESFA use a matrix (table) to set maximum loan amounts. The matrix contains two criteria to decide the appropriate amount for each qualification:

- the type of qualification or the size of the qualification in Guided Learning Hours (GLH), and
- the programme weighting for the qualification.

There are exceptions where the maximum loan amount is set as a matter of policy: GCE AS levels, GCE A-levels, Access to HE Diplomas, and 5 specialist Dance and Drama Diplomas.

The ESFA continue to provide a loans bursary fund to help vulnerable and disadvantaged loans learners to overcome barriers which may prevent them from taking part in or continuing in learning.



## The official funding rules

### Where can I find the ESFA's Adult Education Budget funding rules?

- See the ESFA's [Adult education budget \(AEB\) funding and performance management rules 2023 to 2024](#), and [Adult education budget \(AEB\) funding rates and formula 2023 to 2024](#)
- Qualifications eligible for 19-23 Entitlement funding and English and Maths Entitlement funding can be found on the ESFA's funding website [here](#) and on the [Find a learning aim database](#).
- Qualifications and units eligible for 19+ Local Flexibility funding and ESOL funding can also all be found on the [Find a learning aim database](#).
- For more on how the AEB operates in devolved areas see the [Adult education budget \(AEB\) devolution](#).

### Where can I find the ESFA's Level 3 Free Courses for Jobs offer rules?

- See the ESFA's [Adult education budget \(AEB\) funding rules 2023 to 2024](#), and [Adult education budget \(AEB\); funding rates and formula 2023 to 2024](#).
- Qualifications eligible for Level 3 Free Courses for Jobs offer can be found on the ESFA's funding website [here](#) and on the [Find a learning aim database](#).
- For an overview see the ESFA's [Free courses for jobs webpage](#).

### Where can I find the ESFA's Advanced Learner Loan funding rules?

- See the ESFA's [Advanced learner loans funding rules 2023 to 2024](#).
- Qualifications eligible for Advanced Learner Loan funding can be found on the ESFA's funding website [here](#) and on the [Find a learning aim database](#).

- Learners apply to the Student Loan Company for Advanced Learner Loans, and the Student Loan Company (SLC) is responsible for assessing whether a learner is eligible. More information on how a learner can apply for a loan can be found [here](#).
- For more on how maximum loan amounts are calculated see the ESFA's [Maximum loan amounts for advanced learner loans designated qualifications 2023 to 2024](#)

### Where can I go for more information?

[quals.pearson.com/adult-ed-23-24](https://quals.pearson.com/adult-ed-23-24)