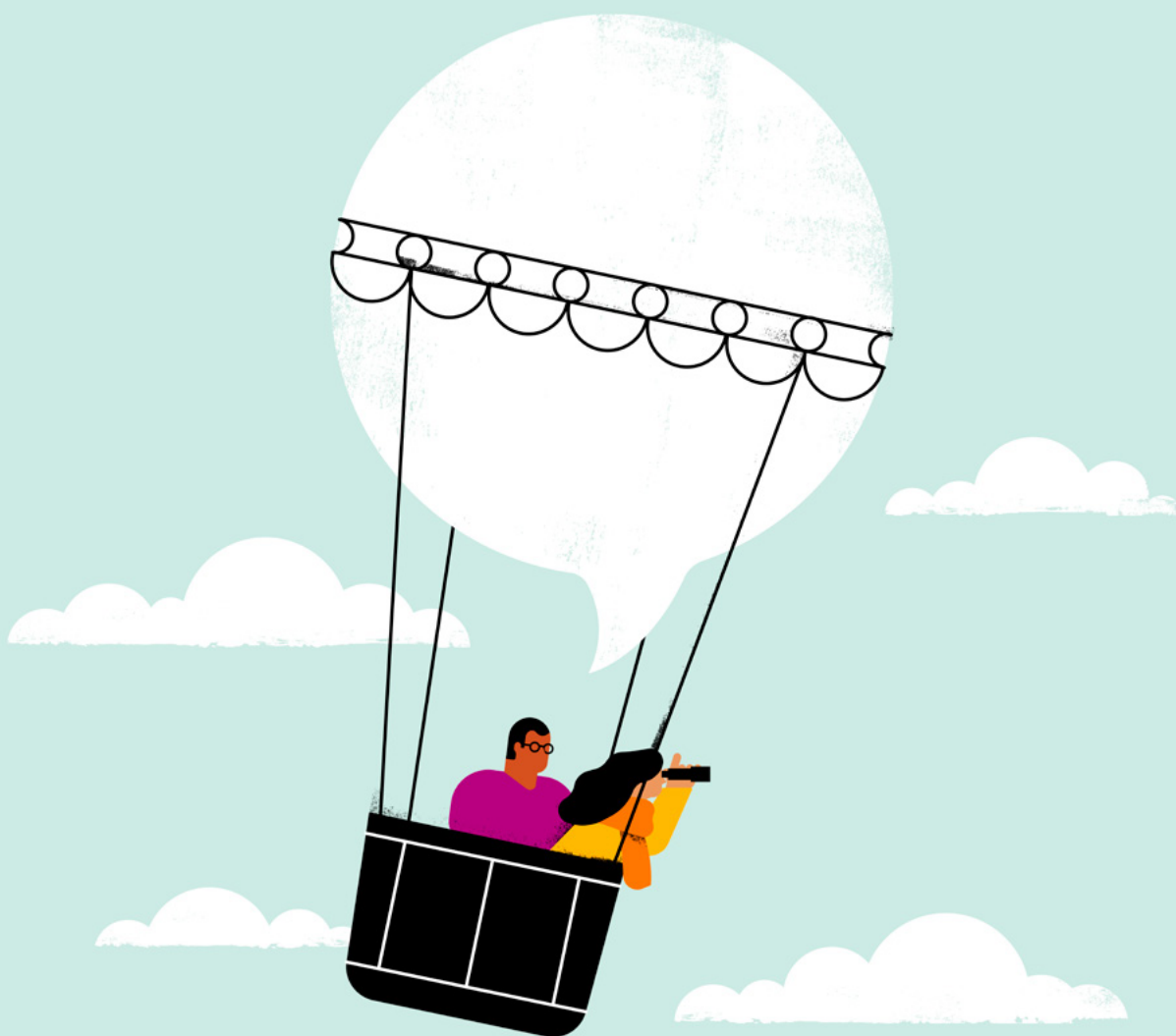




Pearson

A guide to the **Adult Education  
Budget and the Advanced  
Learner Loan Budget  
2019/20**



# A guide to the Adult Education Budget and the Advanced Learner Loan Budget 2019/20



## Adult Education Budget

### ► Where can I find qualifications from Pearson that are eligible for Adult Education Budget funding?

All qualifications from Pearson that are eligible for can be funded using the Adult Education Budget (AEB) funding can be found in the Pearson qualification [lists](#).

### ► The purpose of the AEB

The AEB is a funding stream from the Department for Education (DfE), managed by the ESFA (Education and Skills Funding Agency), to engage adults (19+ year-olds) and provide the skills and learning they need to progress into work or equip them for an apprenticeship or other learning. It enables more flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, build confidence, and/or enhance their wellbeing.

The AEB does not cover: 16-19 year-olds, apprenticeships, education and training services funded by the European Social Fund, individuals resident in a devolved authority area unless they meet certain criteria (see sections below for more), or 19+ advanced learner loans.

### ► Devolution of AEB functions in seven areas

From academic year 2019/20, approximately 50% of the AEB will be devolved to six Combined Authorities (CAs), and delegated to the Greater London Authority (GLA). The CAs and the GLA will be responsible for commissioning and funding AEB provision for learners resident in their areas and the ESFA will be responsible for funding residents living outside devolved areas. The devolved areas are:

- Greater Manchester Combined Authority
- Liverpool City Region Combined Authority

- West of England Combined Authority
- West Midlands Combined Authority
- Tees Valley Combined Authority
- Cambridgeshire and Peterborough Combined Authority
- Greater London Authority

The AEB will therefore be split into:

1. ESFA funded AEB budget for ESFA to distribute, and
2. Seven devolved budgets for CAs and the GLA to distribute. These budgets will be based on funding in academic year 2017/18 by learner residency.

### ► Exemptions from devolved funding in the seven areas

19-24 traineeship funding is exempt from devolution, and will be funded nationally.

In addition, ministers have agreed that for a period of two years (2019/20 and 2020/21) providers that meet the following criteria will be funded nationally:

- Those that qualify for a financial residential uplift for their learning provision, and
- receive more than two thirds of their income from AEB funding, and
- predominantly target the most disadvantaged learners.

### ► Flexibility and local responsiveness for devolved and non-devolved AEB

CAs and the GLA in the seven devolved areas will make their own commissioning decisions about where to allocate funds for delivery to residents of devolved areas and therefore will have the power to ensure the funding is flexible and can respond to local needs. Providers outside of devolved areas will also be expected

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

### ► Funding rules for devolved areas

Devolved authorities will publish their own funding rules that will apply to providers in receipt of devolved AEB funding, from 1 August 2019, for AEB delivery to residents in their areas.

### ► Funding rules for non-devolved areas

#### ***Which providers do the ESFA funding rules apply to?***

The funding rules for non-devolved areas will follow the funding rules set out by the ESFA. These rules only apply to individuals resident in areas of England outside of the devolved authority areas, who are undertaking ESFA funded AEB provision. They also apply to:

- Continuing AEB funded learners in England, including those resident in a devolved authority area, who have not completed their learning by 31 July 2019.
- Learners resident in England attending providers who meet the specified criteria (see the exemptions paragraph above) who will be funded nationally in 2019/20 and 2020/21.
- Learners resident in England, including those resident in a devolved authority area, undertaking a 19-24 traineeship programme.

#### ***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 already have 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, employment status, and wage if employed.
- **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.

- **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.

See the summary table at the front of every Pearson qualification [list](#), or the ESFA funded Adult Education Budget: Funding and performance management [rules](#) 2019 to 2020 for more.

Lists of qualifications funded under 19-23 Entitlement funding and English and Maths Entitlement funding can be found on the ESFA's funding website [here](#), and on the [funding hub](#).

Qualifications and units funded under 19+ Local Flexibility funding and ESOL funding can all be found on the [funding hub](#).

#### ***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 2019/20. It remains:

Funding = rate x disadvantage uplift x area cost uplift

See the ESFA funded Adult Education Budget: Funding rates and formula 2019 to 2020 for more [here](#).

#### ***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 which 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.

### ***Will the flexibility for the low-waged continue in 2019/20?***

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 has been extended to the 2019/20 academic year.

The threshold has been increased in line with the National Living Wage 25+ hourly rate of £8.21, which comes into force in April 2019. The ESFA has also clarified that 1) self-employed individuals are eligible if they meet the published criteria, 2) Universal Credit statements can be provided as evidence of income, and 3) only provision up to and including level 2 (that would normally be co-funded) is eligible.

## Advanced Learner Loan Budget

### ► **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 Budget funding can be found in the Pearson qualification [lists](#).

### ► **The purpose of the Advanced Learner Loan Budget**

The Advanced Learner Loan Budget provides 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.

### ► **The Advanced Learner Loan Budget is not devolved**

Unlike the AEB, the Advanced Learner Loan Budget is not devolved. It is managed centrally by the ESFA.

### ► **Funding rules**

#### ***Who and what can be 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.

See the summary table at the front of every Pearson qualification [list](#), or the Advanced Learner Loans: Funding and performance management [rules](#) 2019 to 2020 for more

The list of qualifications funded under Advanced Learner Loan funding can be found on the ESFA's funding website [here](#), and on the [funding hub](#).

Learners apply to the Student Loan Company for Advanced Learner Loans, and the 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](#).

#### ***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.

See the Maximum loan amounts for Advanced Learner Loans designated qualifications 2019 to 2020 for more [here](#).

Where can I go for more information?  
[quals.pearson.com/adult\\_ed\\_19\\_20](https://quals.pearson.com/adult_ed_19_20)

