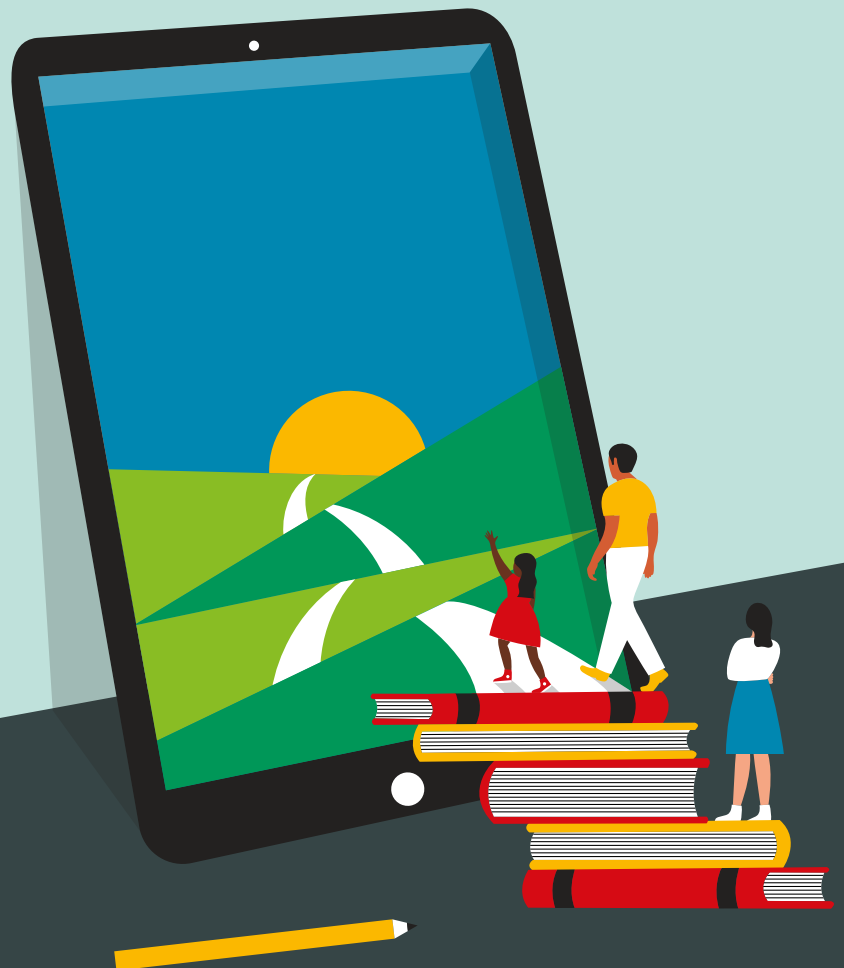




Pearson

A guide to the
Adult Education Budget
and
Advanced Learner Loans
2020/21



A guide to the Adult Education Budget and Advanced Learner Loans 2020/21



Adult Education Budget

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

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

► 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.

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.

► The flexibility of the AEB – units and non-qualification-based learning

The AEB enables 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 flexibility means that the AEB can fund the delivery of units and non-regulated learning up to Level 2, as well as qualifications.

► Traineeships and the AEB

Traineeships are programmes for 16-24-year-olds who are unemployed, have little or no work experience and are focused on employment or an apprenticeship or the

prospect of this, and who have been assessed as having the potential to be ready for employment or an apprenticeship within six months.

The core offer is made up of work preparation training, a work placement, and English and maths or ESOL if required. A flexible element can also be added to help the learner move into work or remove a barrier to them entering work. Traineeships can last from 6 weeks up to 1 year (although most will last for less than 6 months).

Traineeships are funded through*:

- A single work-placement and work-preparation rate of £970.
- Funding for the English and maths or other qualifications to support progress towards GCSE English and maths (such as Functional Skills).
- Funding for the flexible element.

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).

► *Additional funding for Traineeships

An additional £111 million for Traineeships in England was announced as part of the [Treasury's Plan for Jobs](#) on 8 July 2020. Incentive payments for employers taking on trainees will be available for the first time, and it is expected that the funding that providers receive for older trainees will be increased. The eligibility criteria will also be changed so that more learners can access traineeships.

The additional funding will be available from September and is expected to triple participation in traineeships.

- Employers will receive £1,000 for taking on any aged traineeships (for 16-24-year-olds). The funding is limited to 10 trainees per employer.
- It is expected that providers will now receive £1,500 for to deliver traineeship to 19-24-year-olds; an increase from £970.

In addition, Traineeships will now be available to 16-24-year-olds who already hold a Level 3 qualification. Previously, only those qualified to level 2 were eligible for the programme.

► Devolution of the AEB in eight areas

The AEB is devolved to seven Combined Authorities (CAs) and the Greater London Authority (GLA).

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
- Newcastle Upon Tyne
- Greater London Authority

The AEB will therefore be split into:

1. ESFA funded AEB budget for ESFA to distribute, and
2. Eight devolved AEB budgets for CAs and the GLA to distribute.

► Exemptions from devolved AEB funding in the eight areas

The following are exempt from devolved funding and will be funded nationally:

- 19-24 traineeships (see above for more on Traineeships).
- In 2019/20 and 2020/21, providers in devolved areas that qualify for a financial residential uplift for their learning provision, which receive more than two thirds of their

income from AEB funding, and which target the most disadvantaged learners.

- Continuing AEB funded learners in devolved authority areas who started their learning before the 31 July 2019 and have not completed by 31 July 2020.
- Continuing AEB funded learners in the North of Tyne devolved authority who have not completed their learning before the 31 July 2020.

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

CAs and the GLA in the eight 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](#).

► AEB funding rules for the devolved areas

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.

► AEB 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 in devolved authority areas, 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.
- **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.

See the summary table at the front of our [sector lists of qualifications](#), for a summary.

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 2020/21.

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.

Will the flexibility for the low-waged continue in 2020/21?

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 2020/21 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 £17,004.00 annual gross salary.

Advanced Learner Loans

► 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](#).

► 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.

► Advanced Learner Loans are not devolved

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

► Funding rules

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.

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

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.

AEB, Advanced Learner Loans and COVID-19

The ESFA has published [updates about the impact of COVID-19 on the funding rules](#). They key funding updates in relation to AEB and Advanced Learner Loan funding are that the ESFA expect providers to:

- support furloughed workers to enhance existing or develop new skills and

- continue to deliver learning online wherever possible including for ESFA funded AEB via existing subcontracting arrangements to support existing learners to successfully complete their courses/qualifications or retain evidence where this is not possible.

Where can I find the official funding rules?

▶ Adult Education Budget

- See the ESFA's [Adult Education Budget funding and performance management rules 2020 to 2021](#) and [Adult Education Budget funding rates and formula 2020 to 2021](#) for more.
- 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 also all be found on the [funding hub](#).
- See the ESFA's [Traineeship webpage](#) for further information on Traineeships.

▶ Advanced Learner Loans

- See the ESFA's [Advanced Learner Loans funding and performance management rules 2020 to 2021](#) for more.
- Qualifications funded under Advanced Learner Loan funding can also 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 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](#).
- See how maximum loan amounts are calculated in the ESFA's [Maximum loan amounts for advanced learner loans designated qualifications 2020 to 2021](#).

Where can I go for more information? quals.pearson.com/adult-ed-20-21

