



**LIVERPOOL  
CITY REGION**  
COMBINED AUTHORITY

**METRO MAYOR**  
LIVERPOOL CITY REGION

# **Liverpool City Region Combined Authority Adult Education Budget (AEB): Funding and Performance Management Rules**

**For the 2022 to 2023 funding year (1 August 2022 to 31 July 2023)**

This document sets out the funding and performance management rules that apply to all providers of education and training who receive adult education budget funding and providers receiving National Skills Fund Level 3 Adult Offer funding from the Liverpool City Region Combined Authority

**Version 2 – February 2023**

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## What's new?

Main changes since the publication of 2021 to 2022 version 3 in May 2022:

- The High value courses for school and college leavers: a one-year skills offer for 18 and 19-year-olds 2020 to 2021 has now ended. Rules relating to this offer have been removed
- The National Skills Fund – level 3 adult offer will be referred to as the [Level 3 Free Courses for Jobs](#) offer for the 2022 to 2023 funding year. All references to the National Skills Fund – Level 3 adult offer have been replaced by Level 3 Free Courses for Jobs offer.
- The information box in the [community learning](#) section now includes a paragraph to emphasise the importance of learners progressing to a new and more stretching provision. We also require a short strategic plan for Community Learning providers setting out the aims and objectives for your provision and how your curriculum links to that of other providers for progression opportunities. See [annex B](#) for the full list of community learning objectives

Please also note the '[summary of main changes since funding rules 2021 to 2022](#)'.

LCRCA reserves the right to make changes to these rules.

### Summary of changes included in Version 2 – February 2023:

- [192.3 – Updated definition of unemployment thresholds in line with DWP and ESFA](#)
- [194 – Updated learners in receipt of low wage eligibility to reflect the new Living Wage rates announced in September 2022](#)
- [204. – 217. – Clarification of Free Courses for Jobs \(FCFJ\) Rules in line with national changes](#)
- [254. - Clarification of ESOL funding eligibility rules in line with national changes to funding rules](#)
- [301.1.3. - Additional rules to support the costs of nutrition of learners including Breakfast Clubs](#)

## Devolution of adult education functions

The devolution of adult education functions to Liverpool City Region Combined Authority will exercise, in relation to the Liverpool City Region area and its residents, certain adult education functions of the Secretary of State under the Apprenticeships, Skills, Children and Learning Act 2009. This transfer of functions has been achieved by way of orders made under the Local Democracy, Economic Development and Construction Act 2009:

- The Liverpool City Region Combined Authority (Adult Education Functions) Order 2018 (SI2018/1142)

Since 1 August 2019 devolved authorities with responsibilities for adult education for their residents and associated budgets have published our own funding rules, for those providers in receipt of devolved AEB funding, for AEB delivery to residents in Liverpool City Region.

As a result of these changes, the content and requirements set out in this document only apply to:

- Liverpool City Region residents undertaking funded AEB provision devolved to LCRCA; and
- Liverpool City Region residents undertaking funded Level 3 Adult Offer funded courses delegated to LCRCA.

## Introduction and purpose of the document

1. This document sets out the Liverpool City Region Combined Authority AEB funding rules for the 2022 to 2023 funding year (1 August 2022 to 31 July 2023). These rules contain conditions of funding (in accordance with section 101 of the Apprenticeships Skills Children and Learning Act 2009) and apply to all providers who receive LCRCA funded AEB.
2. LCRCA funded AEB aims to engage adults and provide the skills and learning they need to progress into, or within, 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.
3. Providers must have due regard to the skills analysis and priorities of Liverpool City Region Combined Authority and its published skills strategies and plans.
4. These rules do not apply to
  - apprenticeships
  - advanced learner loans
  - education and training services funded by the European Social Fund/HMT Guarantee
  - individuals who are resident in a different devolved authority area, unless they meet the criteria detailed in these rules
  - 19-23 Traineeships
5. This document forms part of the terms and conditions of funding and you must read them in conjunction with your grant funding agreement and/or contract for services with the Combined Authority. You must operate within the terms and conditions of the grant funding agreement and/or contract for services, these rules, and the Individualised Learner Record (ILR) specification. If you do not, you are in breach of your funding agreement /contract for services with the Combined Authority.
6. All information, including hyperlinks were correct when we published this document.
7. LCRCA reserves the right to make changes to these rules.



## How this document can help you

8. We have divided this document into two sections that contain the AEB specific funding rules, and payment and performance management rules. Each section may include the context of the rule in a box, or set out in a table, and/or the rule/s itself as a numbered paragraph.
9. These funding rules should be read alongside:
  - 9.1. Liverpool City Region Combined Authority's Skills Action Plan 2018–2023; [link](#)
  - 9.2. 2022/2023 ILR Specification; [link](#)
  - 9.3. The gov.uk reference guides on qualifications eligible for public funding found [here](#) including:
    - 9.3.1. [English and math's legal entitlement offer;](#)
    - 9.3.2. [Level 2 and level 3 legal entitlement offer;](#)
    - 9.3.3. [Qualifications in the digital legal entitlement](#)
    - 9.3.4. [Adult education budget: funding rates and formula](#)
    - 9.3.5. [Qualification achievement rates and minimum standards](#)
    - 9.3.6. [List of the qualifications included in the National Skills Fund Level 3 Adult Offer](#)
    - 9.3.7. The local list of LCRCA level 3 free courses for jobs offer eligible qualifications published on the LCRCA website
  - 9.4. Liverpool City Region AEB Grant Funding Agreement; and/or
  - 9.5. Liverpool City Region AEB Contract for Services.
10. We have included a [glossary](#) to explain technical terms.
11. We have included a summary of changes to explain new policy rules and amendments that differ from 2021/22 academic year.
12. The Combined Authority reserves the right to make changes to these rules during the academic year.

## Funding rates and formula

13. You can access this information in the Adult Education Budget: funding rates and formula 2022 to 2023 by the following [Link](#)

## Understanding the terminology

14. The term 'we' or 'us' or 'Combined Authority' or 'LCRCA' refers to the Liverpool City Region Combined Authority.
15. When we refer to 'you' or 'providers', this includes colleges, training organisations and local authorities who receive LCRCA funded AEB to deliver education and training to learners set out on [Who We Fund](#) section on page 15
16. 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:
  - 16.1. Grant Funding Agreement (paid on profile)
  - 16.2. Grant Funding Agreement (paid on actuals)
  - 16.3. Contract for Services
17. We use the terms 'individual' and 'learner' to cover those whose provision is funded by us. Eligible learners will reside in Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral. Learner postcodes can be checked for eligibility at on the ESFA website [postcode checker data set](#). Grant funded organisations should refer to paragraph 42 if they are in receipt of an allocation to support Greater Manchester residents
18. We use the term 'provision' or 'learning' or 'learning aims' to refer to LCRCA funded AEB, whether it is a regulated qualification, or other learning that is not a regulated qualification or as agreed with the Combined Authority.
19. If we refer to qualifications, either these will be from the [Regulated Qualifications Framework \(RQF\)](#) or an Access to Higher Education Diploma recognised and regulated by the Quality Assurance Agency (QAA).
20. 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.
21. 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.
22. We may refer to this document as 'funding rules' or 'the rules'.

## Contacting us

23. You can contact us at [aeb@liverpoolcityregion-ca.gov.uk](mailto:aeb@liverpoolcityregion-ca.gov.uk). Organisations with a funding agreement/contract for services can also make contact through their assigned Relationship Manager.

# Section 1 - General Funding Requirements

## Liverpool City Region: Principles of funding

24. In 2022/2023, the Combined Authority will build upon previous national AEB Funding and Performance Management Rules with adaptations to accommodate local delivery priorities for Liverpool City Region (LCR) residents.
25. This approach will provide continuity for those Colleges, Local Authorities and Independent Training Providers with existing funding agreements and certainty of learner funding eligibility and funding rates. The Combined Authority will continue to make crucial changes to local funding and performance management rules, rates and learner eligibility criteria for fully funded delivery.
26. Our focus will be to work with Colleges, Local Authorities and Independent Training Providers to build an evidenced based social and business case for future changes. In the longer term, a step change is needed for residents to become more economically productive and engage more effectively in their local communities. The Combined Authority will make improvements in the short, medium and longer term through:
  - 26.1. Collaboration between Providers
  - 26.2. Encouraging co-location and co-delivery of services;
  - 26.3. Engagement and training of economically inactive and unemployed people;
  - 26.4. Narrowing of the gap of underrepresented learners; and
  - 26.5. Aligning local commissioning of AEB with other funding streams.
27. The Liverpool City Region commissioning approach is underpinned by the following delivery principles, designed to convey clarity and transparency:
  - 27.1. Local skills investment priorities will be aligned to Skills Strategy outcomes;
  - 27.2. The Combined Authority will align, where possible, with national policy on funding eligibilities, rates and entitlements and will seek to improve or enhance these in support of local priorities as appropriate;
  - 27.3. The Combined Authority will encourage new market developments and innovation that strengthens the local Provider base and responds to needs and opportunities;

- 27.4. Skills funding decisions including European Social Fund, UKSPF, NRF delegated fundings and other funding will be considered alongside the AEB;
  - 27.5. Subcontracting will be agreed where this adds value to the mix and balance of provision locally and enriches the learning offer; and
  - 27.6. Allocations and details of commissioned provision will be openly published to ensure transparency of process.
28. These funding rules apply to all learners starting new learning aims on or after 1 August 2022 who are a resident within Liverpool City Region at the commencement of learning for Colleges and Providers with a grant funding agreement or contract for services with the Combined Authority.
  29. Individuals continuing their learning in 2022/23 funding year, who were a resident within Liverpool City Region at the commencement of learning (start date 1st August 2020 - 31st July 2021 funding year) will be funded through the Providers LCRCRA allocation:
    - 29.1. You must not transfer funding between the Combined Authority procured contracts for services and grant funding agreements should a Provider hold both.
    - 29.2. The Combined Authority will negotiate Grant Funding Agreements (paid on profile) with general Further Education colleges, sixth form colleges (and academy trusts incorporating former sixth form colleges) and local authorities with campuses located within the Liverpool City Region at our discretion and in line with legal advice.
    - 29.3. Grant Funding Agreements (paid on actuals) have been agreed with those organisations eligible to be grant funded with a track record of delivery in Liverpool City Region, to enable Liverpool City Region residents to access their local college, or where niche provision has been identified such as those available from land based providers.
    - 29.4. Liverpool City Region's market entry point for other organisations that intend to deliver AEB funded provision to Liverpool City Region residents is as detailed in our Commissioning Plan for the period 2022/23 to 2027/28. This will be reviewed as part of any further commissioning calls for new provision, followed by a specification of the delivery required.
    - 29.5. Where a funding agreement / contract for services contains specific ring-fenced budgets, e.g. for Test and Learn Pilots, this should not be transferred or expended on any learning or learner support outside of the pilot without the written permission of the Combined Authority.

- 29.5.1. You must not transfer, cross or double fund learning between the following ring-fenced budgets and funders (or any other funding - this list is not exhaustive):
  - 29.5.2. AEB budget devolved to Liverpool City Region for Liverpool City Region resident learners;
  - 29.5.3. AEB from national ESFA funds is separate funding;
  - 29.5.4. AEB sourced from other devolved City Regions; and
  - 29.5.5. Advanced learner loans bursary fund
  - 29.5.6. Advanced learner loan facility
  - 29.5.7. Level 3 free courses for jobs offer
  - 29.5.8. Any other funding
30. We will review and monitor whether the LCRCA funded AEB provision you provide represents good value for money. If we consider that funding is significantly more than the cost of providing education and training, you would be at risk of a reduction in funding by LCRCA. Reviews of value for money conducted from time to time may include but not be exclusive to:
- 30.1. a comparison of the guided learning hours delivered compared to those listed under 'find a learning aim';
  - 30.2. circumstances where set programmes of learning are delivered to all learners without consideration of their prior attainment and experience and;
  - 30.3. circumstances where learning has not demonstrably benefited the learner to develop new knowledge and skills or duplicates other learning undertaken by the learner;
  - 30.4. circumstances where learning does not add value to learners' progression and employment prospects
31. Failure to comply with funding and subcontracting rules could lead to action or intervention. Providers should have regard to relevant ESFA policies and guidance about the oversight of providers. Please refer to the updated and published documents on the Gov.uk website. The triggers for action and the type of action the ESFA may take is set out in these documents and is in accordance with their provisions: [College oversight: support intervention](#) and [How ESFA maintains oversight of independent training providers](#).

## Who we fund

32. Where we refer to a learner's age being 19, this relates to the learner being aged 19 or over on the 31<sup>st</sup> August within the funding year they start a learning aim.
33. For all other purposes, the age of the learner is at the start of each learning aim. Eligible learners for AEB with residency in the Liverpool City Region include those:
  - 33.1. Aged 19 or older within the 2022/2023 funding year; or
  - 33.2. Aged 25 on 31<sup>st</sup> August within the 2022/2023 funding year or older for learners that previously had an Education Health and Care Plan; and
  - 33.3. Agreed in advance by exception with the Combined Authority in writing.
34. A learner's eligibility will not change during a learning aim.
35. Learners will be eligible for funding for the whole of the learning aim if they are eligible for funding at the start, even if the duration is for over one academic year.
36. You must reassess the learner eligibility for any further learning they start.
37. 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.
38. You must not fund a learner who is unable to complete a learning aim or programme of study in the time they have available. Any learner, of any age, must be able to achieve the learning aim or programme of study in line with their initial assessment and individual learning plan, and within the time they have available.

## Cross border learners

39. Providers should not actively engage learners in devolved skills areas where they do not have a devolved AEB funding award or allocation.
40. Providers will be able to meet the needs of learners' resident outside of the Liverpool City Region from ESFA funding or other funding from other devolved AEB Mayoral Combined Authority areas if funded by these organisations and contracts/grants are in place with each one.
41. Providers must not actively recruit learners who live or work in devolved administration areas for skills and must develop arrangements with the relevant devolved administration if they are planning to deliver a significant quantity of learning to learners who reside in devolved skills areas.

42. Grant funded providers (paid on profile) may receive in 2022/23 a proportion of their allocation from which they can support learning for residents of the Greater Manchester devolved AEB Mayoral Combined Authority Area.
43. **BY EXCEPTION AND ONLY WITH PRIOR PERMISSION FROM LIVERPOOL CITY REGION COMBINED AUTHORITY:** Providers who do not hold an LCRCA AEB funding agreement or funding from a neighbouring devolved AEB Combined Authority area may be allowed with permission to fund learners that are resident outside of Liverpool City Region. In all other circumstances Providers, starting learners that are not resident within Liverpool City Region will be considered ineligible and unfunded by the Combined Authority.

## Residency eligibility

44. You must check the eligibility of a learner and their residency ensuring they reside within the local authority areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral at the start of each learning aim and only claim funding for eligible learners unless otherwise agreed in writing with the Combined Authority. A self-declaration of residency is insufficient and should not be used as a default form of evidence for residency, although may be accepted in some circumstances such as for homeless individuals. Please refer to the [glossary](#) definition of 'learner residency' and the devolution postcode checker data set. Grant funded organisations should refer to paragraph 42 if they are in receipt of an allocation to support Greater Manchester residents
45. Individuals will be eligible for LCRCA funded AEB if they meet the criteria in [Who We Fund](#) section, the learning is taking place in Liverpool City Region, and they fulfil the residency requirements set out in one or more of the following categories:
- 45.1. UK nationals and other persons with right of abode
  - 45.2. UK nationals in the EEA
  - 45.3. EEA nationals in the UK
  - 45.4. Other non-UK nationals

## UK national and other persons with right of abode

46. Individuals who meet the criteria in paragraph 44 and they are UK nationals or other person with a right of abode<sup>1</sup> in the UK and have been ordinarily resident in

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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 here: [Prove you have right of abode in the UK \(https://www.gov.uk/right-of-abode\)](https://www.gov.uk/right-of-abode)

2. This refers to the 7-year offer for UK nationals in EEA and Switzerland. More info on the 7-year offer can be found here:



the UK or British Overseas Territories or Crown Dependencies (Channel Islands and Isle of Man) for at least 3 years on the first day of learning. The British Overseas Territories are listed in [Annex A: Eligibility for Funding](#)

## **UK nationals in EEA**

47. Individuals who meet the criteria in paragraph 45, and they:
  - 47.1. are UK nationals and
  - 47.2. are living in the EEA on or before 31 December 2020 (or have moved back to the UK immediately after living in the EEA); and
  - 47.3. have lived in the EEA, Gibraltar or the UK for at least the previous 3 years on the first day of learning and
  - 47.4. have lived continuously in the EEA, Gibraltar or the UK between 31 December 2020 and the start of the course and
  - 47.5. the course starts before January 2028<sup>2</sup>
  - 47.6. the EEA includes all countries and territories listed in [Annex A: Eligibility for Funding](#)

## **EEA nationals in the UK**

48. Individuals who meet the criteria in paragraph 44, and
  - 48.1. with respect to EEA nationals other than Irish nationals, have obtained either pre-settled or settled status under the EU Settlement scheme and
  - 48.2. have lived continuously in the EEA, Gibraltar or UK for at least the previous 3 years on the first day of learning
  - 48.3. the EEA includes all countries and territories listed in [Annex A: Eligibility for Funding](#)

## **Other non-UK nationals**

49. Individuals who meet the criteria in paragraph 45, and they fulfil the requirements of one or more of the below set out in paragraphs 49.1 to 49.3
  - 49.1. A non-UK national who:

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UK nationals in the EEA and Switzerland: access to higher education and 19+ further education (<https://www.gov.uk/guidance/uk-nationals-in-the-eea-and-switzerlandaccess-to-higher-education-and-19-further-education> )

- 49.1.1. Has permission granted by the UK government to live in the UK and such permission is not for educational purposes only, and
- 49.1.2. Has ordinarily been resident in the UK for at least the previous 3 years on the first day of learning
- 49.2. A non-UK national who is also a non-EEA national and:
  - 49.2.1. Has obtained pre-settled or settled status under the EU Settlement Scheme and
  - 49.2.2. Has ordinarily resident in the UK for at least the previous 3 years on the first day of learning
- 49.3. An Irish national and:
  - 49.3.1. Who is not also a UK national and
  - 49.3.2. Has been ordinarily resident in the UK or Ireland for at least the previous 3 years on the first day of learning

### **Family members of UK and EEA nationals**

- 50. A 'family member' is the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of a UK or EEA national. A family member is eligible for funding if they:
  - 50.1. Where required to do so, have obtained pre-settled or settled status under the EU Settlement Scheme and
  - 50.2. Have ordinarily been resident in the UK or EEA for at least the previous 3 years on the first day of learning

### **Individuals with certain types of immigration status and their family members**

- 51. Any individual with any of the statuses listed below is eligible to receive funding and are exempt from the 3-year residency requirement rule:
  - 51.1. Refugee status
  - 51.2. Discretionary leave to enter or remain
  - 51.3. Exceptional leave to enter or remain
  - 51.4. Indefinite leave to enter or remain. This includes Afghans eligible under the Afghan Relocation and Assistance policy (formally known as Locally Engaged Staff under the intimidation policy).

- 51.5. Humanitarian protection
- 51.6. Leave outside the rules
- 51.7. Ukraine Family Scheme
- 51.8. Ukraine Sponsorship Scheme (Homes for Ukraine)
- 51.9. Ukrainian adults and their family members through the Ukraine Extension Scheme ([Apply to stay in the UK under the Ukraine Extension Scheme - GOV.UK \(www.gov.uk\)](#)).
- 51.10. The husband, wife, civil partner or child of any of the above in the first 8 bullet points in this list
- 51.11. Section 67 of the Immigration Act 2016 leave. 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.
- 51.12. Calais leave to remain. This includes a child of a person who has received Calais leave to remain where they have been granted “leave in line” by virtue of being a dependent child of such a person
- 51.13. British Nationals evacuated from Afghanistan under Operation Pitting
- 51.14. British Nationals evacuated from Afghanistan by UK government before 6 January 2022

## **Extension or variation of current immigration permission**

- 52. Any learner or family member 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 decide 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.
- 53. Therefore, a learner or family member 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 upon this status.
- 54. You may wish to find information, advice and support on eligibility from the [UK Council for International Student Affairs](#)

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

## **Children of Turkish workers**

56. A child of a Turkish worker is eligible if both the following apply:
- 56.1. 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
  - 56.2. 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 the 31<sup>st</sup> December 2020

## **Asylum Seekers**

57. Asylum seekers are eligible to receive funding if they:
- 57.1. have lived in the UK for 6 months or longer while their claim is being considered by the HomeOffice, and no decision on their claim has been made, or
  - 57.2. are receiving local authority support under [section 23C](#) or [section 23CA](#) of the [Children Act 1989](#) or the [Care Act 2014](#),
58. For the purposes of these rules, asylum seekers that are eligible for funding whilst not undertaking paid work are deemed to be economically inactive.
59. An individual who has been refused asylum will be eligible if:
- 59.1. 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
  - 59.2. they are granted support for themselves under [section 4 of the Immigration and Asylum Act 1999](#), or
  - 59.3. are receiving local authority support for themselves under [section 23C](#) or [section 23CA](#) of the [Children Act 1989](#)

## Persons granted stateless leave

60. A person granted stateless leave is a person who:
- 60.1. has extant leave to remain as a stateless person under the immigration rules (within the meaning given in [section 33\(1\) of the Immigration Act 1971](#)); and
  - 60.2. has been ordinarily resident in the UK and Islands throughout the period since the person was granted such leave
61. A stateless person must:
- 61.1. be ordinarily resident in the UK on the first day of the first funding year of the course; and
  - 61.2. have been ordinarily resident in the UK and Islands throughout the 3-year period preceding the first day of the first funding year of the course
62. Certain family members are also eligible under this category if:
- 62.1. the spouse or civil partner of a person granted stateless leave (and who was the spouse or civil partner of that person on the leave application date), who is ordinarily resident in the UK on the first day of the first funding year of the course, and who has been ordinarily resident in the UK and Islands throughout the 3-year period preceding the first day of the first funding year of the course; or
  - 62.2. the child of a stateless person or of the stateless person's spouse or civil partner (and who was the child of that stateless person or the child of the stateless person's spouse or civil partner on the leave application date), was under 18 on the leave application date, is ordinarily resident in the UK on the first day of the first funding year of the course, and has been ordinarily resident in the UK and Islands throughout the 3 year period preceding the first day of the first funding year of the course.
63. "Leave application date" means the date on which a person is granted stateless leave made an application to remain in the UK as a stateless person under the immigration rules (within the meaning [given in section 33\(1\) of the Immigration Act 1971](#)).

## **Individuals who are not eligible for funding**

64. You must not claim funding for individuals who do not meet the eligibility criteria set out above in paragraphs 44 to 63. Examples of individuals who do not meet the eligibility criteria include the following. Please note this list is not exhaustive:
- 64.1. those who are here without authority or lawful status
  - 64.2. those who are resident in the UK on a student visa unless they are eligible through meeting any other of the categories described above
  - 64.3. those who are in the UK on holiday or without a visa
  - 64.4. those who are a 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
  - 64.5. those whose biometric residence permit or residence permit imposes a study prohibition or restriction on the individual

## **Learners temporarily outside of England**

65. Individuals ordinarily resident in the Liverpool City Region (England) working outside of England as part of their job, are eligible for AEB funding as long as some of the learning takes place in Liverpool City Region. You cannot claim for the additional expense of delivering learning outside of England.

## **Learners who live in Wales, Scotland or Northern Ireland**

66. Any learning for non-Liverpool City Region residents requires prior written approval prior to learning starting by the Combined Authority.
67. Wales, Scotland and Northern Ireland have their own funding arrangements. You must develop arrangements with the relevant devolved administration if you are planning to deliver a significant quantity of learning to learners who do not live in England.
68. You must not actively recruit learners who live or work outside of Liverpool City Region.
69. We will fund an individual who does not live in the Liverpool City Region, if specialist skills training is only available in Liverpool City Region and agreed prior to the commencement of learning by the Combined Authority. For example, in cases where an employer is moving location to the Liverpool City Region, and staff will then work and / or live in the Liverpool City Region to study or learn. We do not expect these numbers to be significant.

70. For learning delivered at an employee's workplace, we will fund individuals whose main employment or normal place of work is in Liverpool City Region where eligible e.g. for fully funded entitlement provision. These circumstances should be agreed prior to the commencement of learning with the Combined Authority in writing.

## **Fees and charging**

71. 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.
72. 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.
73. When charging a fee to co-funded learners, the sum of the contribution and the learner's fee must not exceed the fully funded weighted rate for the learning aim, and the learner should not have to pay more than 50% of the unweighted rate.
74. Where utilising a LCRCA flexibility to fully fund provision for a learner, the learner must not be charged a fee for their learning in addition to the funding received from LCRCA.

## **Qualifying days for funding**

75. 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 [AEB funding rates and formula 2022 to 2023 guidance](#).
76. This does not apply where the learner achieves the learning aim.

## **Recognition of prior learning**

77. A learner could have prior learning that has been previously accredited by an awarding organisation or could be formally recognised and count towards a qualification. If this is the case, you must:
- 77.1. reduce the funding amount claimed for the learning aim by the percentage of learning and assessment the learner does not need

- 77.2. follow the policies and procedures set by the awarding organisation regarding recognition of prior learning, including any restrictions concerning RPL or prior attainment may not be applied
- 77.3. ensure that you have a robust internal RPL policy and appropriate resources to deliver RPL
78. You must assess whether any prior learning negates the need for a learner to undertake the whole learning aim. You must be able to demonstrate new knowledge and new skills.
79. You must not use prior learning to reduce funding for English and maths qualifications up to and including level 2.
80. We do not set limits on the length of time of either prior learning or previously certificated learning. However, where the individual's learning and/or achievement occurs outside of five years, you must assess whether the learning is still valid and relevant.
81. 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 available at GOV.UK [ILR guidance](#).

## **Breaks in learning**

82. The Combined Authority will not fund a learner whilst on a break in learning.
83. 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.
84. You must record the date a learner takes a break in learning and the date they restart their learning in the ILR. Further guidance on recording breaks can be found in the ESFAs [ILR provider support manual 2022 to 2023](#).
85. 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.
86. You must not use a break in learning for short-term absences, such as holidays or short-term illness.



## Response to coronavirus (COVID-19)

87. In line with the [breaks in learning](#) section, you and the learner can agree to suspend learning to enable the learner to take a break in learning where:
- 87.1. the learner is self-isolating, or caring for others affected by coronavirus (COVID-19) and is unable to continue by distance learning and/or an online offer, or
  - 87.2. you are unable to deliver learning because of the impact of coronavirus (COVID-19) on your business and there is no reasonable way to achieve appropriate delivery by distance learning and/or online learning.
88. To record breaks in learning for COVID-19 reasons, you must:
- 88.1. include these learners in your ILR submissions
  - 88.2. record the reason, and retain and submit evidence as set out in the breaks in learning section
  - 88.3. ensure affected learners are not recorded as permanently withdrawn from their learning, by entering the 'completion status' field of the ILR as '6', denoting that the learner has temporarily withdrawn from learning due to an agreed break in learning as a direct impact of COVID-19
  - 88.4. not change the current planned end date of the learning aim record
  - 88.5. agree a new planned end date, when the learner returns, that must be assessed and recorded against the revised learning aim record

## LCRCA Level 2 Flexibilities

This flexibility will continue to be reviewed during the 2022/23 academic year.

89. LCRCA introduced an in-year Level 2 flexibility during 2020/21 academic year in response to the economic challenges caused as a result of the pandemic. The flexibility aims to offer local residents the skills they need to retain employment and train for better jobs in a rapidly changing local labour market.
90. The Level 2 flexibility expands fully funded up to and including Level 2 training to all LCR residents aged 19 and above, in all settings be that in the local community, via remote/distance learning, learning centres or in the workplace. The fully funded Level 2 flexibility will again apply for this academic year and will be reviewed ahead of 1 August 2023.

91. If an individual meets the legal entitlement eligibility criteria, they should enrol on a qualification listed as part of the legal entitlement qualifications.
92. Please see the LCRCA Data Guidance Briefing 2022/23 for how to record the Level 2 flexibility in the ILR.
93. In all cases a thorough initial assessment must be completed and evidence of learner income level, age and prior attainment must be retained by the provider.

## What we will not fund

94. If an individual starts a learning aim or programme which is not eligible for funding, we will not fund their learning while they remain ineligible.
95. We will not fund:
  - 95.1. Any provision you deliver to a learner whose learning is taking place outside of England or to non-Liverpool City Region residents unless otherwise agreed in writing by the Combined Authority
  - 95.2. qualifications, units or learning aims that are not listed on: [Find a learning aim](#) or on the [DfE list of qualifications approved for funding](#) – please see sections [Level 3 adult offer and the level 3 legal entitlement](#), [Local flexibility](#) and [Local flexibility and legal entitlements](#)
  - 95.3. Provision to learners in custody – the [Ministry of Justice](#) funds prison education in England. Please note you can use your LCRCA funded AEB to fund individuals released on temporary licence as unemployed.
  - 95.4. End-point assessment outside of apprenticeship standards, which is subject to Ofqual external quality assurance and regulated as a qualification
  - 95.5. Any part of any learner’s learning aim or programme that duplicates provision they have received from any other source
  - 95.6. Training through LCRCA funded AEB, where a learner is undertaking or planning to undertake an apprenticeship and where that training will:
    - 95.6.1. Replicate vocational and other learning aims covered by the apprenticeship standard or framework, including English and maths
    - 95.6.2. Offer career related training that conflicts with apprenticeship aims

95.6.3. Be taking place during apprentices working hours. Where an apprentice has more than one job, working hours reflects to the hours on the job the apprenticeship is linked to

95.7. A learner to repeat the same regulated qualification where they have previously achieved it, unless it is for any GCSE where the learner has not achieved grade 4/C or higher

95.8. A learner to sit or resit a learning aim assessment or examination where no extra learning takes place

## Subcontracting and funding of third parties through devolved funding

### Subcontracting: using funding to offer education and training.

From 2019, the ESFA introduced an audit requirement for subcontracting for all providers who subcontract ESFA programmes including the Adult Education Budget. The Liverpool City Region Combined Authority will have regard to the ESFA requirements but will not necessarily align to our own funding rules for 2022/23.

We have amended our due diligence requirements in order to help continually improve the standards required to effectively manage sub-contracts. We can confirm that for 2022 /2023 we will protect learners by looking for signs of non-compliance and checking with lead providers that the rules are being followed.

- It is vital that all directly funded organisations must properly monitor and control all subcontracted delivery
- Lead providers are responsible for the selection and actions of their delivery subcontractors and / or third parties engaged in the learner journey
- Details of all proposed subcontractors and their allocations will be submitted via the subcontractor declaration included in your delivery plan, the % of delivery that you are planning to subcontract must not exceed that agreed in your delivery plan unless agreed in writing with the LCRCA
- Subcontractors delivering learning or key parts of the learner journey must have Matrix accreditation (or be working towards)
- The funding you retain in relation to each Subcontractor's AEB delivery for that funding year must be capped at a maximum of 20% of subcontracted earnings

#### **Use of Associate tutors**

Where providers or their sub-contractors use Associate tutors they should be paid directly by that provider and not be seconded or paid by a third party or other employer. Lead providers will be required to confirm that freelance or associate tutors are paid directly by the lead provider as part of their regular sub-contracting and third-party declaration.

Where Associate tutors are paid by another organisation or third-party this would be deemed a subcontract.

Providers and their sub-contractors will be required to declare that they pay Associates directly and not through a third party.

### **Defining Sub-contracting and / or third-party delivery or learning and other support services:**

You must describe your delivery arrangements to LCRCA accurately and without artificial distinctions or distortions. These rules apply to all circumstances within which a sub-contract and/or third-party organisation has been engaged as part of the engagement of learners or aspects of the learner journey. Sub-contracts include where employees of another organisation are paid or play a role in the delivery of LCRCA funded Adult Education Provision including secondees.

We define a sub-contract and/or third-party provision as:

- any organisation engaged by the lead provider under a formal or informal agreement, including:
  - a subcontract,
  - partnership agreement,
  - service level agreement,
  - secondment agreement or similar between the lead provider and another organisation pursuant to which that organisation (or employees thereof) agrees to provide delivery or services that engages, delivering learning or assesses learners.

A sub-contractor or third party must be a separate legal entity that has an agreement with you to deliver any element of the education and training or part of learner engagement or learner journey you or we fund. A separate legal entity includes companies in your group, other associated companies and sole traders. It also includes individuals who are self-employed or supplied by an employment agency, unless those individuals are working under your direction and control, in the same way as your own employees i.e. as associates.

Examples of such agreements with sub-contractors and/or third parties may include:

- delivery of learning or services as part of the learner journey;
- finding learners for a LCRCA funded provider through learner engagement or marketing;
- outsourcing of initial assessment either face to face or online;
- using secondees of another organisation or sharing members of staff outside of associate arrangements;
- tuition or provision of learning including materials or online platforms that contributes to guided learning hours both face to face or online; and
- any other arrangement with a third party being paid through devolved funding excluding room hire, accreditation, external verification or awarding body costs.

- Brokerage / find the learner services includes any arrangements where a third-party matches, for a fee or other inducement, a provider with an LCRCA funding allocation with the aim of securing learner enrolments. Day to day referrals between providers without inducement that supports learners to find the right LCRCA funded provision is of course allowed and indeed encouraged.

### **2022/23 academic year subcontracting declaration**

For the 2022/23 academic year all subcontracts of all values for devolved community learning and adult skills funded through the Adult Education Budget and the delegated Level 3 Adult Offer will be declared to LCRCA. Your declaration will include:

- list of all freelance tutors and/or associates and nature of contracts held by you (including tutor staff seconded from another organisation) – this may include the details you are required to provide under IR35 requirements;
- list of all brokerage, marketing or ‘learner find / find the learner’ organisations and all payments relating to ‘learner find’ if and when agreed as appropriate by LCRCA;
- list of subcontractor and/or third party delivery providers and a declaration on fees paid or funding retained for all aspects of the relationship;
- Other subcontractor and/or third party agreements related to devolved AEB funding and activity with learners.

## **Your policies concerning sub-contracted and/or third-party delivery including fees and charges**

96. You may not enter into any sub-contract and/or third-party agreement (without prior agreement or declaration in advance) or any other form of agreement to fund delivery or brokerage (including find a learner services).
97. You must take your own legal advice about whether, in subcontracting or delivery by a third party part of your service delivery, you are a contracting authority awarding a public contract as defined by of [Public Contracts Regulations 2015](#). If you are, then you should comply with the provisions of the 2015 Regulations. You must provide a synopsis of the legal advice for inspection by us on request.
98. Your governing body or board of directors and your accounting officer (senior responsible person) must agree your policy for delivery subcontracting. This policy must set out your reasons for subcontracting and that all your delivery subcontracting meets your strategic aims and enhances the quality of your learner offer. You must be able to confirm this by way of evidence, such as minutes of meetings and/or written sign-off. The minimum content for your policy for delivery subcontracting is set out in paragraph 108.

99. You must publish your policy for delivery subcontracting on your website.
100. You must not subcontract for delivery to meet short-term funding objectives.
101. Your Subcontractors and/or third parties do not need to register with the Combined Authority; however, we expect full due diligence checks to be undertaken by Lead Providers and all subcontracted provision to be declared to the Combined Authority for agreement prior to the commencement of any learning by the Subcontractor.
102. Subcontracts of all values will be declared and published once agreed by the Combined Authority.
103. If your organisation does not apply a rigorous subcontracting due diligence process, we will review your funding arrangements and limit your ability to subcontract provision.
104. You must only use subcontracted delivery if you:
  - 104.1. Have secured permission in advance from LCRCA to do so including agreement of any subsequent changes;
  - 104.2. Hold up to date policies and written evidence to support your use of delivery subcontractors;
  - 104.3. Contract with and actively manage those sub-contractors and/or third-party providers.
  - 104.4. If you have the knowledge, skills and experience within your organisation to successfully select subcontractors and/or third-party providers in line with the requirements of these funding rules and:
    - 104.4.1. successfully procure
    - 104.4.2. contract with and manage those subcontractors and/ or third parties, and
    - 104.4.3. can evidence this with the CVs of relevant staff
    - 104.4.4. those charged with governance/board of directors and your Principal / CEO or lead officer (senior responsible person) determine the sub-contracting and/or third party provision as being of high quality and low risk to public funds
    - 104.4.5. if you have robust procedures in place to ensure subcontracting does not lead to the inadvertent funding of extremist organisations

105. You are responsible for the actions of your delivery subcontractors connected to, or arising out of, the delivery of the services, which you subcontract.

### **Review and publication of your policy for delivery subcontracting**

106. You must review your policy for delivery subcontracting annually. This policy must be signed by your governing body or board of directors and your accounting officer.
107. You must publish your policy for delivery subcontracting on your website before entering into any subcontracting agreements for the 2022 to 2023 funding year. We expect the policy, including your rationale to be published by 1 August 2022. It should be easy to navigate from the front page of your education and training web pages.

### **Minimum content requirements for your policy for delivery subcontracting**

108. Any Provider who wishes to deliver LCRCA funded adult education provision, or any part of LCRCA funded adult education provision through a subcontract and/or third-party provider must have a current policy in place which sets out:
- 108.1. The rationale for delivering provision through a sub-contract and/or third-party provider. This must enhance the quality of your learning offer and should normally include one or more of the following:
- 108.1.1. Enhance the opportunities available to learners.
  - 108.1.2. Fill gaps in niche or expert provision or provide better access to training facilities.
  - 108.1.3. Support better geographical access for learners.
  - 108.1.4. Support an entry point for disadvantaged groups.
  - 108.1.5. Support increased social value delivered through learning with the voluntary and community sector and opportunities for onward progression in learning and skills;
  - 108.1.6. Support individuals who share protected characteristics, where there might otherwise be gaps.
- 108.2. How delivery through a Third-Party Provider enhances the quality of your LCRCA Adult Education provision
- 108.3. How delivery through a Third-Party Provider supports your long-term strategic objectives (you may not deliver through subcontract to meet short-term funding objectives)



109. You may have a single policy in place which covers delivery through other funders such as ESFA or other MCAs / GLA and the delivery of LCRCA provision through a third-party agreement, on condition that your policy meets our requirements as set out in these rules.
110. As a minimum, you must also include the following in your policy for delivery subcontracting or third party provision:
  - 110.1. your contribution to improving your and your delivery subcontractor's and / or third party quality of teaching and learning, through oversight and quality assurance measures;
  - 110.2. the funding you retain in relation to each subcontractor's and / or third party's AEB delivery for that funding year must be capped at a maximum of 20% of subcontracted/third party earnings unless otherwise agreed in writing by us.
  - 110.3. LCRCA reserves the right to require an explanation of where the funding you have retained as your management fee for a Third-Party has been expended;
  - 110.4. the support delivery subcontractors and / or third party will receive in return for the fee you charge, including support for accurate data returns;
  - 110.5. how you will identify the support required and associated costs for different delivery subcontractors and / or third parties;
  - 110.6. how and when you communicate and discuss your policy for delivery subcontracting and / or third party provision with potential delivery subcontractors and / or third parties, or current ones for new learner starts;
  - 110.7. how you will ensure you describe to each subcontractor, before each subcontracting relationship is agreed:
    - 110.7.1. payment terms between you and your delivery subcontractors; the timing of payments in relation to delivery and timescale for paying invoices and claims for funding received
    - 110.7.2. timing for review of your policy for delivery subcontracting
    - 110.7.3. where you publish your policy for delivery subcontracting

## **Selection and procurement of your delivery subcontractors**

111. LCRCAs requires providers to secure permission to deliver through a sub-contractor and/or third-party in advance of delivery as opposed to notification after the fact. You must obtain our written approval before awarding a subcontract to a delivery subcontractor or third-party undertaking engagement or other aspects of the learner journey including engagement and keep evidence of this. We will place restrictions on your future use of AEB if approval is not sought, declared as part of a 'sub-contract and third-party declaration' and agreed prior to delivery taking place or services being delivered.
112. When appointing delivery subcontractors, you must avoid conflicts of interest and you must:
  - 112.1. write to us through your Relationship Manager about any circumstances (for example, where you and your proposed subcontractor have common directors or ownership) which might lead to an actual or perceived conflict of interest and;
  - 112.2. not award the contract without our written permission and;
  - 112.3. keep as evidence both your request and our reply
113. You must carry out your own thorough due diligence checks when appointing delivery subcontractors and have both the detailed process and the results available for inspection by us.
114. You must not use a delivery subcontractor's presence on any public register or database, as an indicator that they are suitable to deliver to your specific requirements.
115. You must not appoint any delivery subcontractors for a period greater than a single academic year unless with prior written agreement of your Relationship Manager.
116. You must ensure that any delivery subcontractor you appoint continues to meet the requirements of your due diligence procedures and that you provide them with all the necessary support.
117. You must not enter new subcontracting arrangements or increase the value of your existing arrangements if any of the following circumstances apply. These conditions will continue until we are satisfied that the concerns have been addressed and the circumstances below no longer apply if:
  - 117.1. Ofsted has rated your leadership and management or that of your sub-contractor and/or third party as inadequate;

- 117.2. you do not meet our jointly agreed minimum standards between the Combined Authority and the ESFA
- 117.3. the outcome of any annual financial health assessment completed is inadequate
- 117.4. You must not increase the total percentage of subcontracted and/or third party delivery that you originally declared at the outset of our contractual agreement unless your request to do so has been accepted by LCRCA
- 117.5. You must seek approval to change or amend subcontractors in-year by contacting your Relationship Manager who will provide you with the necessary documentation

### **Entering into a delivery subcontract and/or third party agreement**

- 118. You must only award contracts for delivering LCRCA funded AEB provision to legal entities. If the legal entity is a registered company, it must be recorded as 'active' on the [Companies House](#) database.
- 119. You must not award, or renew a subcontract to any organisation if:
  - 119.1. it has an above-average risk warning from a credit agency
  - 119.2. it has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed
  - 119.3. its statutory accounts are overdue
- 120. You must make sure that learners supported through subcontracting arrangements know about you and your delivery subcontractor's roles and responsibilities in providing the learning.
- 121. You must have a legally binding contract with each delivery subcontractor that includes all the terms set out in paragraph 123
- 122. You must have a contingency plan in place for learners in the event that:
  - 122.1. you need to withdraw from a subcontract arrangement
  - 122.2. a delivery subcontractor withdraws from the arrangement
  - 122.3. a delivery subcontractor goes into liquidation or administration
- 123. You must make sure that the terms of your subcontracts allow you to:
  - 123.1. monitor the delivery subcontractor's activity

- 123.2. have control over your delivery subcontractors
- 123.3. monitor the quality of education and training provided by delivery subcontractors
- 124. You must obtain an annual report from an external auditor if your LCRCA funded AEB contracts with your delivery subcontractors will exceed £100,000 in any single funding year. The report must provide assurance on the arrangements to manage and control your delivery subcontractors and comply with any guidance issued by us. If you are required to produce an equivalent report for ESFA or other funders, LCRCA will accept the same report on condition that LCRCA funded delivery requirements have been fully considered.
- 125. You must also supply us with a certificate signed by the external auditor and an authorised signatory to confirm you have received a report that provides satisfactory assurance. We may ask you to provide a copy of the full report and any associated plan to implement the external auditor's recommendations.

### **Terms that you must include in your contracts with delivery subcontractors and/or third parties**

- 126. You must make sure your delivery subcontractors:
  - 126.1. meet the requirements set out in these funding rules
  - 126.2. provide you with ILR data so your data returns to us accurately reflect your subcontractor's delivery information
  - 126.3. give us, and any other person nominated by us, access to their premises and all documents relating to LCRCA funded AEB provision
  - 126.4. give you sufficient evidence to allow you to:
    - 126.4.1. assess their performance against [Ofsted's Education Inspection Framework](#)
    - 126.4.2. incorporate the evidence they provide into your self-assessment report
    - 126.4.3. guide the judgements and grades within your self-assessment report
- 127. always have suitably qualified staff available to provide the education and training we fund through LCRCA funded AEB
- 128. co-operate with you to make sure there is continuity of learning if the subcontract ends for any reason

129. tell you if evidence of any irregular financial or delivery activity arises; irregular activity could include, but is not limited to:
  - 129.1. non-delivery of training when funds have been paid
  - 129.2. sanctions imposed on the delivery subcontractor by an awarding organisation
  - 129.3. an inadequate Ofsted grade
  - 129.4. complaints or allegations by learners, people working for the delivery subcontractor or other relevant parties
  - 129.5. allegations of fraud
130. are bound by European Social Fund (ESF) and other funding for leverage or match clauses from your funding agreement. These must in turn be included in any subcontract, even if the provision being subcontracted is not funded by the ESF
131. do not use our funding to make bids for, or claims from, any European funding on their own behalf or on our behalf
132. do not use payments made as match funding for ESF co-financing projects
133. You must include in your contract with each delivery subcontractor:
  - 133.1. reference to your delivery subcontracting policy and where it can be found on your website
  - 133.2. your reason for subcontracting with them
  - 133.3. a list of all services you will provide to them and the associated costs for doing so.

## **Monitoring of your delivery subcontractors and subcontracted provision**

134. You must manage and monitor all your delivery subcontractors to ensure that high-quality delivery is taking place that meets these funding rules.
135. You must carry out a regular and substantial programme of quality-assurance checks on the education and training provided by delivery subcontractors, including visits at short notice and face-to-face interviews with staff and learners. The programme must:
  - 135.1. include whether the learners exist and are eligible

- 135.2. involve direct observation of initial guidance, assessment, and delivery of learning programmes
136. The findings of your assurance checks must be consistent with your expectations and the delivery subcontractor's records.
137. You, as the lead provider must claim all the funding for an LCRCA-funded learner. When a learner is attending sub-contract and/or third party provision for different components of their learning and support, the lead provider must record all these components and indicate within learner's learning plans (ILPs) and on the individual learner record which elements are delivered via a sub-contractor and/or third party.
138. You must make sure that learners supported through sub-contracting and/or third-party agreements know about you and your sub-contractor's and/or third parties roles and responsibilities in providing services and/or learning. Learners supported through a sub-contractor and/or third-party agreement must have equivalent access to facilities and support as learners to whom you deliver directly including an understanding about your complaints policy and points for escalation.
139. You are responsible for the actions of the subcontractor and/or third-party provider connected to, or arising out of, the delivery of the services, which you deliver through an agreement. If the subcontractor and/or third-party fails to deliver, you will be responsible for making alternative arrangements for the delivery of education and training, protecting the audit trail, and/or repaying LCRCA funding.
140. You must manage and monitor all subcontractors and/or third parties to ensure that high-quality delivery is taking place that meets the requirements of the contract you have entered into with LCRCA for the provision of AEB or other funded delivery (which includes compliance with these funding rules).
141. You must ensure safeguarding is rigorously policed for subcontractor and/or third-party provision.
142. It is not acceptable for any staff with a direct or indirect financial interest in the subcontractor and/or third-party to undertake any management control activities. This includes signing time sheets or invoices, as well as organising and/or carrying out monitoring activity or visits to check the subcontractor and/or third-party.
143. You must carry out a regular and substantial programme of quality assurance checks on the education and training provided by the subcontractor and/or third-party including spot checks and face to face interviews with staff and learners. This includes verifying that learners exist and meet the eligibility criteria for

funding; direct observation of initial guidance, assessment and delivery of learning programmes, training and/or direct observation of assessment.

144. The findings of your assurance checks must be consistent with your expectations and the subcontractor and/or third-party records.
145. The prevent duty applies equally to third-party provision. It requires providers to have due regard to the need to prevent people from being drawn into terrorism. All further education providers must comply with relevant legislation and any statutory responsibilities associated with the delivery of education and safeguarding of students, and this includes learners receiving provision with a subcontractor and/or third-party.
146. You must record subcontractor and/or third-party delivery where relevant through completing the relevant sections in your regular individualised learner record (ILR) returns.
147. You must be able to demonstrate that you exercise all the following key controls:
  - 147.1. You can enrol or reject learners as you would do if the learners enrolled directly by you.
  - 147.2. Learners sign a learning agreement at the time of enrolment; the agreement must reflect the outcome of initial guidance and assessment for an individual learner and set out the programme of learning and support which they will undertake.
  - 147.3. The learners' eligibility for LCRCA funding is confirmed through an enrolment form and/or learning agreement, which must include your name and your logo, and which is signed by the Learner at the start of their programme.
  - 147.4. The programme of learning and support delivered through the third-party has been approved by you in advance of delivery
  - 147.5. There are arrangements in place for assessing the progress of individual learners.
  - 147.6. There are procedures for you to regularly monitor the delivery of programmes delivered through the sub-contract / third-party throughout the period of the programme.

## **Second-level delivery subcontracting and/or third party agreement**

148. You must not agree the use of any delivery subcontractor or any other third party agreement related to engagement of learners or delivery of the learner journey where this would require you to deliver LCRCA funded AEB provision to a second level. All your delivery subcontractors must be contracted directly by you and you may have more than one subcontractor. The restriction on the level of subcontracting is in place to ensure:
- 148.1. that lead providers retain clear and transparent accountability for the quality of training provision
  - 148.2. that proper and appropriate controls are in place to manage the learner experience; and
  - 148.3. that value for money is achieved by mitigating funding being utilised for multiple tiers of subcontractor management

## **Reporting your subcontracting and/or third-party arrangements**

149. You must provide a fully completed delivery subcontractor and third-party declaration by dates determined by the Combined Authority. If you do not make the declaration on time, we will suspend your payments. If you do not subcontract, you must still provide a nil return to confirm this within the deadline dates set.
150. You must also update your subcontractor and third-party declaration and associated LCRCA spreadsheets if, and when any of your subcontracting arrangements change during the year. This must follow the completion of all relevant documents provided by your Relationship Manager
151. You must report to us the actual level of funding paid and retained for each of your delivery subcontractors and third party every academic year. You must email this information to your Relationship Manager using a template which we will supply to you. We will let you know the date by when you must do this. We will publish the information on LCRCA website at our discretion. You must include the following:
- 151.1. name of each delivery subcontractor and third party
  - 151.2. provide a list of active associates in receipt of LCRCA funding
  - 151.3. the [UK Provider Reference Number](#) (UKPRN) of each delivery subcontractor and/or third party if applicable
  - 151.4. contract start and end date for each delivery subcontractor and third party and associate



- 151.4.1. funding we have paid to you for LCRCA funded AEB delivery by each delivery subcontractor and third party in that funding year
- 151.4.2. funding you have paid to each delivery subcontractor and third-party for LCRCA funded AEB delivery in that funding year
- 151.5. details of the funding you have retained in relation to each delivery subcontractor's and third-party LCRCA funded AEB delivery for that funding year capped at a maximum of 20% of subcontracted earnings unless otherwise agreed in writing by us
- 151.6. if appropriate, funding each delivery subcontractor and third-party has paid to you for services or support you have provided in connection with the subcontracted and third-party delivery

## **Evidence**

- 152. You must hold evidence to assure us that you are using LCRCA funded AEB appropriately. Most evidence will occur naturally from your normal business process.
- 153. You must make sure applications for LCRCA funded AEB, support your decision to claim funding and support the individual's case for consideration as ordinarily resident in England, specifically Liverpool City Region, or any exceptions set out in the Residency Eligibility section.
- 154. In line with [General Data Protection Regulations \(GDPR\)](#), you must record in the evidence pack what appropriate documentation you have seen, rather than take photocopies to prove eligibility.

## **Evidence Pack**

- 155. The evidence pack must contain evidence to support the funding claimed and must be available to us if we need it.
- 156. Evidence in the evidence pack must assure us that the learner exists and that they are an LCR resident.
- 157. The learner must confirm information they provide is correct when it is collected.
- 158. If the time spent in learning is short, the level of evidence in the evidence pack would reflect this.
- 159. Where you hold information centrally, you only need to refer to the source.

160. If applicable, the evidence pack must confirm the following:
- 160.1. all information reported to us in the ILR and the earnings adjustment statement (EAS), and all supporting evidence to substantiate the data that you report
  - 160.2. your assessment and evidence of eligibility for funding and a counter signed record of the evidence the learner has provided to support their eligibility for funding
  - 160.3. copies of all assessments and diagnostics undertaken to determine a learners' requirements
  - 160.4. information on prior learning that affects the learning or the funding of any of the learning aims or programme with evidence retained of this if provided by the learner or witnessed by provider staff in addition to the PLR.
  - 160.5. 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
  - 160.6. a description of how you will deliver the learning and skills and how the learner will achieve
  - 160.7. the supporting evidence about why you have claimed funding and the level of funding for a learner
  - 160.8. details of any learner or employer contribution
  - 160.9. support needs to be identified, including how you will meet these needs and the evidence of that
  - 160.10. that learning is taking or has taken place and records are available
  - 160.11. if applicable, a learner's self-declaration as to what state benefit, they claim
  - 160.12. a learner's self-declaration on their status relating to gaining a job; and
  - 160.13. all records and evidence of achievement of qualifications, learning aims or traineeship programme. This must be available within three months of you reporting it in the ILR.
  - 160.14. Approved job outcomes claims must adhere to the specific evidence requirements detailed in [Annex C](#)

161. You must keep evidence that the learner is eligible for funding.
162. 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.
163. If a subcontractor delivers any provision to the learner, it must clearly identify who it is. This must match the information reported to us in the ILR.

## **Confirmation and signatures**

164. The learner must confirm the information is correct when it is collected. You must have evidence of this, which can include electronic formats.
165. 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.
166. 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:
  - 166.1. 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 and/or
  - 166.2. A digital signature is where a document with an electronic signature is secured by a process making it non-refutable. It's 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
167. 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 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.
168. 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**

169. You can only claim funding for learning when directly related learning starts. This would not include enrolment, induction, prior assessment, diagnostic testing or similar learning.
170. For your direct delivery, and any subcontracted delivery, you and where relevant, your subcontractor(s) must have direct centre approval and where appropriate, direct qualification approval from the respective awarding organisation for the regulated qualifications you are offering.
171. 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.
172. You must have evidence that the learning took place and the learner was not certificated for prior knowledge.
173. 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 / Destination and Progression**

174. Please review the ESFA Provider Support Manual for further information regarding recording learner destination information:
  - 174.1. It is mandatory to update the relevant fields when the learner completes/withdraws, reporting the actual end date in the ILR as the last day that you can evidence they took part in a learning activity.
  - 174.2. Destination and progression data is required to be returned within two months of the learning being completed.

## **Individualised learner record (ILR)**

175. You must accurately complete all ILR fields as required in the [2022 to 2023 ILR specification](#), even if they are not required for funding purposes.
176. The ILR must accurately reflect the learning and support (where applicable) you have identified, planned and delivered to eligible individuals. You must not report inaccurate information that would result in an overstatement of the funding claimed.

177. 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**

178. All self-declarations must confirm the learner's details and describe what the learner is confirming for requirements set out in this document.
179. If a learner self-declares prior attainment, you must check this in the [personal learning record \(PLR\)](#) and query any contradictory information with the learner. The PLR will not necessarily override the learner's self-declaration.
180. With prior agreement from the Combined Authority, learners who are unemployed and not in receipt of any benefits may be considered eligible for funding. Evidence must be gathered that confirms the learner's status, the learner must complete a self-declaration confirming their unemployed status and the reason for participating in AEB. This self-declaration must be signed and dated by both the learner and tutor and held in the file for audit purposes.

## Section 2 – LCRCA funded adult education budget (AEB)

### Provision and individuals we fund - Legal Entitlements

LCRCA AEB supports 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 paragraphs [218 to 220](#) **Error! Reference source not found.** and [221 to 225](#) 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 attained a GCSE grade 4 (C), or higher, and/or
- 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, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

181. If an individual meets the legal entitlement eligibility criteria, you must not charge them any course fees.

182. Eligible learners exercising their legal entitlement must be enrolled on qualifications that DfE has approved for funding through the relevant entitlement. For the funding year 2022 to 2023, providers can find the qualifications we have approved in the [DfE list of qualifications approved for funding](#), for the following entitlement offers:

182.1. Level 2 and level 3 and/or

182.2. English and maths and/or

182.3. Essential digital skills qualifications

## Level 3 free courses for jobs / Level 3 adult offer and the level 3 legal entitlement

183. Eligible 19 to 23-year-old learners can access all qualifications from the level 3 adult offer. If a learner aged 19 to 23 completes a qualification that is included on both the legal entitlement list and the level 3 adult offer list, they will have exercised their level 3 legal entitlement. For more information on the eligibility criteria refer to the [level 3 free courses for jobs](#) section.
184. Funding for these learners will come from your AEB allocation and not the Level 3 free courses for jobs / Level 3 Adult Offer allocation.

## ESFA Defined Local Flexibility

LCRCA funded AEB also supports delivery of flexible tailored provision for adults, including qualifications and components of these **and/or** non-regulated learning, up to level 2 – we call this 'ESFA defined local flexibility'.

ESFA Defined Local flexibility provision is either fully or co-funded, depending on the learner's age, prior attainment and circumstances. Please refer to the 'level of government contribution' table for learner eligibility. Where appropriate for the learner, you can deliver local flexibility provision alongside a legal entitlement qualification.

185. Learners aged 19 to 23 progressing towards their first full level 2, must undertake learning at entry and/or level 1 only from [local flexibility](#).

## ESFA Defined Local flexibility and legal entitlements

186. Learners aged 19 to 23 who progress to their first full level 2, must only enrol on a qualification DfE has approved for funding from the [qualifications website](#).
187. Learners aged 19 to 23 and aged 24 and over, who have already achieved at level 2, or above can undertake learning up to and including level 2 qualifications from the local flexibility offer or qualifications for the level 2 legal entitlement available on the [qualifications website](#) or [Find a learning aim](#)
188. Learners aged 24 and over who have not achieved a level 2 qualification can undertake learning up to and including level 2 qualifications from the local flexibility offer, or qualifications in the level 2 legal entitlement list available on the [qualifications website](#) or [Find a learning aim](#).

## **Developing new Learning Aims and funding rates for devolved AEB funding**

189. Where there is a local need for skills that are not currently listed on [Find a learning aim](#) the Combined Authority has the opportunity to add new learning aims or adjust funding rates for existing learning aims.
190. The Combined Authority will discuss the potential development of new learning aims with providers or adjustments to funding rates and the rationale for this with stakeholders and Providers on an individual basis. This may also include:
  - 190.1. The agreement of AEB funded pilots at notional levels of learning including Level 3 pilots to test the market and address emerging skills needs relevant to the local economy;
  - 190.2. The agreement of non-regulated learning aims as pilot funded by AEB on an annual basis to test the market and address emerging skills needs relevant to the local economy.



## LCR AEB Contribution Table 1: Learners aged 19 to 23 years

191. The level of government contribution for LCRCA funded AEB is as follows.

Provision	19 to 23-year-olds	Notes
English and maths for those aged 19 and over, up to and including level 2	Fully funded	Must be delivered as part of the legal entitlement qualifications
Essential Digital Skills Qualifications up to and including level 1	Fully funded	Must be delivered as part of the Digital legal entitlement qualifications list
First full Level 2 (excluding English & maths and Digital)	Fully funded	First full level 2 must be delivered as part of the legal entitlement qualifications or for those eligible through unemployed or on a low wage or due to LCRCA specified flexibility
Learning aims to progress to a full level 2 – up to and including level 1	Fully funded	Must be delivered as entry or level one provision from local flexibility
LCRCA Level 2 Flexibility	Fully funded	Expands fully funded AEB provision up to and including subsequent level 2 training to all LCR residents aged 19+
Level 3 legal entitlement (learners first full L3) other qualifications included in the Level 3 Adult Offer	Fully funded	First full level 3 must be delivered as part of the legal entitlement qualifications
Level 3 Adult offer / Level 3 free courses for jobs offer	Fully funded	Learners without a full level 3 or above can access a qualification on the level 3 adult offer qualification list. Learners who already hold a level 3 or higher and meet the definition of unemployed or who are in receipt of low wage
Level 3 Advanced learner loan	Loan funded	Advanced learner loans funding rules – not funded via LCRCA
English for speakers of other languages (ESOL) learning up to and including level 2	Fully funded	For those eligible through unemployed or on a low wage or due to LCRCA specified flexibility otherwise 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	For those eligible through unemployed or on a low wage or due to LCRCA specified flexibility otherwise co-funded

## LCR AEB Contribution Table 2: Learners aged 24+ year olds

192. The level of government contribution for LCRCA funded AEB is as follows

Provision	24+ year olds	Notes
English and maths, up to and including level 2	Fully funded	Must be delivered as part of the legal entitlement qualifications list
Essential Digital Skills Qualifications up to and including level 1	Fully funded	Must be delivered as part of the legal entitlement qualifications list
Full Level 2 (excluding English and maths)	Fully funded	For those eligible through unemployed or on a low wage
Learning to progress to full level 2	Fully funded	For those eligible for their first full level 2 through unemployed or low wage or due to LCRCA Level 2 flexibility
Level 3 free courses for jobs offer	Fully funded	Learners without a full level 3 or above accessing a qualification on the level 3 adult offer qualifications list. Learners who already hold a level 3 or higher and meet the definition of unemployed or in receipt of a low wage
Level 3 Advanced Learner Loan	Advanced Learning Loan funded	Advanced learner loans funding rules – not funded via LCRCA
English for speakers of other languages (ESOL) learning up to and including level 2	Fully funded	For those eligible through unemployed, the LCRCA definition of economically inactive or on a low wage or due to LCRCA specified flexibility
Learning aims up to and including level 2, where the learner <b>has</b> already achieved a first full level 2, or above	Fully funded	For those eligible through unemployed or on a low wage or due to LCRCA Level 2 flexibility
Learning aims up to and including level 2, where the learner <b>has not</b> achieved a first full level 2, or above	Fully funded	For those eligible through unemployed or on a low wage or due to LCRCA specified flexibility

# Definitions used in the Adult Education Budget (AEB)

## Unemployed

The universal credit thresholds will be updated 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:

- 192.1. receive Jobseeker's Allowance (JSA), including those receiving National Insurance credits only
  - 192.2. receive Employment and Support Allowance (ESA)
  - 192.3. receive Universal Credit, and their take-home pay as recorded on their Universal Credit statement (disregarding Universal Credit payments and other benefits) is less than £494 a month (and the learner is sole adult in their benefit claim) or £782 a month (learner has a joint benefit claim with their partner)
  - 192.4. are released on temporary licence, studying outside a prison environment, and not funded by the Ministry of Justice
193. Providers may also use their discretion to fully fund other learners if both of the following apply. The learner:
- 193.1. receives other state benefits (not listed in these rules) and their take-home pay (disregarding Universal Credit payments and other benefits) is less than £494 a month (and the learner is sole adult in their benefit claim) or £782 a month (learner has a joint benefit claim with their partner), and
  - 193.2. is economically inactive, wants to be employed, or progress into more sustainable employment, and their take-home pay (disregarding Universal Credit payments and other benefits) is less than £494 a month (and the learner is sole adult in their benefit claim) or £782 a month (and the learner has a joint benefit claim with their partner), and you are satisfied identified learning is directly relevant to their employment prospects and the local labour market needs Learners in receipt of low wage

## Learners in receipt of low wage

194. You may fully fund learners who 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:

194.1. eligible for co-funding; and

194.2. earns less than £21,225 (£10.90) annual gross salary. The new Real Living Wage was announced on 22<sup>nd</sup> September 2022 as £10.90 per hour across the UK (as detailed [here](#)) enabling a greater proportion of learners to access fully funded skills provision. This is subject to annual review every November (last updated 15<sup>th</sup> November 2022).

195. You must have seen evidence of the learner's gross annual wages in these circumstances. This could be a wage slip or a Universal Credit 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.

196. Refer to the LCRCA Data Briefing Document and use the correct DAM codes to claim full funding for learners who meet the requirements set out above

## Heavy goods vehicle (HGV) and forklift driver training

HGV driver training flexibilities have been developed to support an increase in HGV driver training.

This offer:

- includes level 2 qualifications which will prepare learners for HGV licence acquisition of all vehicles up to category C and E (articulated)
- includes additional qualifications that are approved for training in this sector throughout the 2022 to 2023 academic year
- allows all eligible learners, fully funded and co-funded, to be reimbursed for the cost of HGV licences and medical

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

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

198.1. the HGV licence as part of a programme of training and

198.2. the medical, at a cost of £61 per learner and/or

- 198.3. a licence to upgrade from category C to category C+E
199. Providers must:
- 199.1. use learning aims that are marked with:
- 199.1.1. category code 50: HGV Emergency Response, to identify an approved qualification, and
  - 199.1.2. category code 51: HGV Medical for the additional learning aim to represent the HGV medical and
  - 199.1.3. 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
- 199.2. 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
- 199.3. have criteria for how you will administer and distribute your funds
- 199.4. 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.
200. In addition, LCRCA will allow a local flexibility to support employed people undertaking Award in Forklift Truck which (for other than unemployed people) has previously been deemed as a licence to practice. This is applied to the following learning aims:
- 200.1. Edexcel Level 2 Award in Forklift Truck Operations
  - 200.2. City and Guilds Level 2 Award in Forklift Truck Operations
  - 200.3. ICQ Level 2 Award in Forklift Truck Operations
201. Providers should input DAM code 055 for employed forklift learners on the above qualifications. This flexibility is backdated to 1 August 2022.

## Sector-based Work Academy Programme (SWAP)

The Sector-based Work Academy Programme (SWAP) is designed to help Job Centre Plus claimants build confidence to improve their job prospects and enhance their CV, whilst 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 AEB local flexibility, and normally lasts 2 to 3 weeks. Jobcentre Plus fund the other components and will pay any travel and childcare costs whilst 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

202. 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 AEB funded pre-employment training. You will regularly inform your Relationship Manager of the SWAPs you are operating as part of your regular performance reviews.

203. To claim full funding for claimants referred to SWAP pre-employment training you must use LDM code 375 and complete the [Benefit Status Indicator \(BSI\)](#) to identify the claimant is in receipt of Jobseeker's Allowance (BSI 1), Universal Credit (BSI 4), or Employment and Support Allowance (all categories) (BSI 5).

### Level 3 free courses for jobs offer (delegated National Skills Fund)

204. As part of the Lifetime Skills Guarantee, a targeted level 3 adult offer has been developed to support adults without an existing full level 3 qualification and, from 1 April 2022, adults who meet the definition of 'low wage' or 'unemployed'. This offer is also known as the free courses for jobs offer.

205. The offer includes:

205.1. 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 aged 24+ 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](#)

205.2. additional level 3 qualifications for 19 to 23-year-olds that are not included in the legal entitlements

205.3. support funding,

205.4. the ability for eligible learners to take one short qualification (identified by category code 49) without exhausting their eligibility. We expect this flexibility to be used where a learner could benefit from a more substantial qualification once they have completed a short qualification

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

207. When qualifications are added to the list of qualifications included in this offer, they will become eligible for funding from that publication date and will not be backdated to the start of the funding year. Please note this policy is subject to potential further amendments and clarifications.

208. A local LCR list of additional qualifications eligible for the Level 3 offer to LCR residents will be shared with providers and further iterations of these rules will include a link to this list. [Adult Education Budget | Liverpool City Region Combined Authority \(liverpoolcityregion-ca.gov.uk\)](#)

209. DfE have published level 3 qualifications flow charts document which sets out the options available to a learner who wishes to enrol on a level 3 qualification. This is supplementary to these AEB funding rules and to the advanced learner loans rules. [ns](#).

210. We will fully fund individuals as part of this offer where they:

210.1. are aged 19 or above on 31 August within the 2022 to 2023 funding year

210.2. have not achieved a full level 3 qualification, or above, which meets the requirements set out in the [full level 3](#) section; or

210.3. enrol on the level 3 adult offer qualifications approved for funding by DfE through the FCFJ qualification list and our locally agreed FCFJ qualifications

From 1 August 2022, we will also fully fund individuals as part of the offer where they:

210.4. meet the definition of being unemployed or the low wage criteria and enrol on the level 3 FCFJ qualifications approved for funding, including learners who already have a level 3 qualification or higher.

211. We will fund eligible learners to take one 'short' qualification, without exhausting their eligibility, followed by one further qualification in the level 3 FCFJ offer. 'Short' qualifications are identified by category code 49 which can be found in level 3 FCFJ offer – short qualification within [Find a learning aim](#).

212. You must not claim for AEB funding where learners are already being funded through an advanced learner loan (ALL), or a skills bootcamp (where applicable), for qualifications that are in the level 3 FCFJ offer. The criteria for ALL can be found in the ALL funding rules 2022 to 2023.

213. Once a learner has been funded by FCFJ in line with the paragraphs above, they will have exhausted their eligibility for the offer and can no longer access FCFJ funding.

214. Learners accessing the low wage and unemployment flexibilities cannot be funded if they have previously been funded via FCFJ.

215. You must:

215.1. use LDM code 378 and FFI code 1 to claim for funding for learners who meet the requirements above

215.2. use LDM code 378, FFI code 1, and LDM code 382 when recording learners who meet the [low wage eligibility criteria](#)

215.3. record the employment status of learners accessing the offer in the ILR

215.4. use category code 49 to identify a short course qualification in [Find a learning aim](#)

216. The LCRCA delegated National Skills Fund Level 3 Adult Offer is subject to performance management rules as specified within these rules and followed as the delegated funder by the LCRCA.

217. Payments will be made based on actual delivery. If any reconciliation is required regarding end of year eligibility of learners providers will be notified, further details will be communicated outlining the process for this if and when necessary.

## Full level 2 entitlement



218. Level 2 is the level of attainment which, is demonstrated by:
- 218.1. a General Certificate of Secondary Education (GCSE) in 5 subjects, each at grade 4 (C) or above, or
  - 218.2. a Technical Certificate at level 2 which meets the requirements for the 16 to 19 performance tables
219. If a learner, aged 19 to 23, has achieved a level 2 qualification that was, at the time they started, or still is, classed as a full level 2, any subsequent level 2 qualifications will be fully funded if they meet the definition of [unemployed](#) or meet the eligibility criteria for [learners in receipt of low wage](#). Please email [qualifications.esfa@education.gov.uk](mailto:qualifications.esfa@education.gov.uk) if you need advice on a previous qualification's designation.
220. The LCR Level 2 flexibility allows for further individuals to be fully funded for learning aims at or below Level 2.

### **Full level 3 entitlement**

221. Level 3 is the level of attainment which is demonstrated by a:
- 221.1. General Certificate of Education at the advanced level in 2 subjects  
General Certificate of Education at the AS level in 4 subjects
  - 221.2. QAA Access to Higher Education (HE) Diploma at level 3
  - 221.3. Technical, or applied general qualification at level 3, which meets the requirements for the 16 to 19 performance tables
  - 221.4. Core maths at level 3
222. If a learner has achieved a level 3 qualification that was not classed as a full level 3 at the time they started it but has since been classed as a full level 3 and wants to enrol on any subsequent level 3 qualification, of any size, they may apply for an advanced learner loan (provided the qualification is designated for funding, and subject to learner eligibility conditions), or pay for their own learning.
223. From the 1 April 2022 there is an exception to this rule; a learner may be fully funded under the level 3 adult offer if they meet the definition of [unemployed](#) or meet the eligibility criteria for [learners in receipt of low wage](#).
224. Please email [qualifications.esfa@education.gov.uk](mailto:qualifications.esfa@education.gov.uk) if you need advice on a previous qualification's designation.
225. 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

226. Where you deliver regulated qualifications and/or their components, you must ensure they are [approved for AEB funding](#) and available on [Find A Learning Aim](#)
227. 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.
228. We will fund certain qualifications that are linked to occupational regulation/licence to practise. You can find more information about these qualifications at the [qualifications website](#) These are in some exceptional cases to LCRCA also referred to in these rules, such as for forklift provision.
229. Before delivering a component, you must check with the awarding organisation they provide a learner registration facility, and the learner can achieve it alone or as part of accumulating achievement towards a qualification.
230. 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 level 2 and/or level 3 qualification.
231. 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.

## Non-regulated learning

232. Where you deliver non-regulated learning, you must ensure it is eligible for funding. Such learning could include:
  - 232.1. Test and Learn Pilots for Liverpool City Region residents (community funding model 10);
  - 232.2. independent living skills or engagement learning supporting adults to operate confidently and effectively in life and work
  - 232.3. locally commissioned and/or locally developed basic knowledge and skills needed to access technical qualifications

- 232.4. employability and labour market re-entry
  - 232.5. locally commissioned and/or locally devised technical education short courses (also known as taster sessions)
  - 232.6. community learning courses
  - 232.7. basic digital skills courses, including where learners are unable to undertake digital skills qualification specified in the [digital entitlement for those aged 19 or older](#) section
233. The eligibility principles we apply to non-regulated learning are as follows:
- 233.1. it must not be provision linked to UK visa requirements
  - 233.2. it must not be provision linked to occupational regulation unless there is an agreed concession in place
  - 233.3. it must not be restricted to being delivered to employees of only one employer
  - 233.4. it must not be learning, for example, 'induction to college', that should be part of a learner's experience
  - 233.5. it must not be a non-regulated version of a regulated qualification
  - 233.6. it must not be above notional level 2 (that is, at notional levels 3 or 4)
  - 233.7. at notional level 2 it must focus on technical provision
234. Where you are delivering non-regulated learning, you must ensure you have appropriate and robust quality assurance processes in place. For instance, 'The Recognising and Recording Progress and Achievement (RARPA) Cycle'. [Further information on RARPA is available from the Learning and Work Institute.](#)

## Learning in the workplace

235. We will fund learning in the workplace where a learner has a legal entitlement to full funding for:
- 235.1. English and/or maths up to and including level 2, and/or a first [full level 2](#), or
  - 235.2. a first [full level 3](#) qualification
  - 235.3. [essential digital skills qualification](#), up to and including level 1

- 235.4. learning aims where the LCRCA Level 2 flexibility applies in this academic year
- 236. We will fund learning in the workplace for the Level 3 Free Courses for Jobs offer.
- 237. We will not fund any qualification or learning aim delivered at an employee's workplace, and is either relevant to their job or their employer's business, unless:
  - 237.1. the LCRCA Level 2 flexibility is applied, where this academic year delivery up to and including Level 2 may be fully funded in all settings
  - 237.2. it is a legal entitlement qualification, and/or
  - 237.3. it is included in the level 3 adult offer [Free courses for jobs - GOV.UK](https://www.gov.uk/free-courses-for-jobs)
  - 237.4. we have confirmed a Liverpool City Region level concession that responds to a significant negative economic impact for a specific industry, or work placement or work experience, unless it is delivered as part of a traineeship programme, or the Prince's Trust Team programme

## **English and maths entitlement for those aged 19 or older**

- 238. We will fully fund individuals, including individuals who are employed, aged 19 or older, who have not previously attained a GCSE grade 4 (C), or higher, in English and maths, as part of their legal entitlement on the day they start the following qualifications:
  - 238.1. GCSE English language or maths
  - 238.2. Functional Skills English or maths from Entry to level 2
  - 238.3. Stepping-stone qualifications (including components, where applicable) in English or maths approved by DfE
- 239. If a learner wants to 'retake' their 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.
- 240. You must not enrol individuals on qualifications which are not necessary for progressing towards a GCSE or Functional Skill level 2.
- 241. You must not fund an apprentice for English or maths from LCRCA funded AEB.
- 242. We will fully fund non-regulated English and maths learning for learners, including those 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 provision identified in the first paragraph of this section.

243. You must:
  - 243.1. 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
  - 243.2. 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
  - 243.3. enrol the learner on a level above that at which they were assessed and be able to provide evidence of this
  - 243.4. deliver ongoing assessment to support learning
  - 243.5. record the evidence of all assessment outcomes in the evidence pack
244. The assessments must place a learner's current skills levels within the level descriptors used for the RQF.

## Digital entitlement for those aged 19 or older

245. We will fully fund individuals aged 19 or older and assessed at below level 1, including individuals who are employed, as part of their legal entitlement on the day they start the following qualification: Essential Digital Skills qualification (EDSQ up to and including level 1).
246. We will fully fund non-regulated learning for learners, including those 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 provision identified in the paragraph above.
247. This provision must be aligned with the [national standards for essential digital skills](#) and must not be a non-regulated version of a regulated qualification (see rules for [non-regulated learning](#)).
248. You must:
  - 248.1. carry out an initial assessment using current assessment tools based on the national standards for essential digital skills
  - 248.2. carry out an appropriate diagnostic assessment to inform and structure a learner's learner file to use as a basis for a programme of study
  - 248.3. enrol the learner on a level above that at which they were assessed and be able to provide evidence of this
  - 248.4. deliver ongoing assessment to support learning
  - 248.5. record the evidence of all assessment outcomes in the evidence pack
249. The assessments must place a learner's current skills levels within the level descriptors used for the RQF.

## Individuals aged 19 to 23 (excluding English, maths, digital and ESOL)

250. We will fully fund 19 to 23-year-olds (refer to the [who we fund](#) section), including individuals who are employed, on the day they start the following learning:
  - 250.1. qualifications defined within the legal entitlement that are a learner's: first full level 2, and/or
  - 250.2. first full level 3 as part of the legal entitlement and/or access to additional qualifications from the level 3 adult offer
  - 250.3. local flexibility provision:

- 250.3.1. up to and including level 1 to support progression to a first full level 2, and/or
- 250.3.2. level 2 for those who already have a full level 2, or above, if they are unemployed

251. We would ordinarily co-fund provision up to, and including, a level 2 for learners who have already achieved a full level 2, or above, who are employed. However, the [low wage flexibility](#) may apply and/or the LCRCA Level 2 flexibility would apply in this academic year to allow fully funded provision for LCRCA residents.

## **Individuals aged 24 or older (excluding English, maths, digital and ESOL)**

252. We will fully fund individuals aged 24 or older on the day they start the following learning:

- 252.1. provision up to and including a level 2, if they are [unemployed](#)
- 252.2. qualifications from the level 3 adult offer, or above, if learners do not have a full level 3 qualification and they meet the eligibility criteria set out in the [level 3 free courses for jobs offer](#) section

253. We would ordinarily co-fund all other learners aged 24 years and older for provision up to, and including, a level 2. However, the [low wage flexibility](#) may apply and/or the LCRCA Level 2 flexibility would apply in this academic year to allow fully funded provision for LCRCA residents.

## **English for speakers of other languages (ESOL)**

254. We will fully fund individuals aged 19 and over on the day they start their ESOL learning aim where they are [unemployed](#) and/or economically inactive or where learners who are employed meet the low wage threshold. The LCRCA Level 2 flexibility would apply to allow learners to be fully funded.

255. The LCRCA definition of economically inactive includes asylum seekers that are eligible for AEB funding that are unable to access work.

256. We will co-fund all other individuals aged 19 and over on the day they start their ESOL learning aim.

257. We will fund ESOL learning up to and including level 2.

258. 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 [AEB funding rates and formula 2022 to 2023](#).

## **Learners with learning difficulties and/or disabilities**

- 259. We will fund learners with learning difficulties and/or disabilities as set out in the [Apprenticeships, Skills, and Children and Learning Act 2009](#).
- 260. LCRCA has 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 education, health and care (EHC) plan and have reached the age of 25.
- 261. [The funding methodology](#) will apply to learners aged 19 to 24, who have an EHC plan and require provision and support costs.

## **Learners with an education, health and care (EHC) plan**

- 262. To access provision and support costs you must inform us before the start of the 2022 to 2023 funding year where a learner:
  - 262.1. 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
  - 262.2. 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
- 263. The learner must:
  - 263.1. have an EHC plan that confirms their needs could only be met by the training organisation they are, or were, attending
  - 263.2. continue to make progress on the programme of learning as set out in their EHC plan
- 264. If a learner has an EHC plan, you must report this in the 'Learner funding and monitoring' fields in the ILR.
- 265. 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.

## **Community Learning Allocations to Grant Funded Providers (Non-formula community learning funding)**



**This section only applies to Grant Funded Providers with a non-formula Community Learning allocation included in appendix 1 of their contract.**

The purpose of Community Learning is to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to:

- progress towards formal learning or employment and/or
- improve their health and well-being, including mental health and/or
- develop stronger communities

Community Learning Courses are delivered and reported on the ILR under the following four delivery strands:

- **Personal and Community Development Learning** - learning for personal and community development, cultural enrichment, intellectual or creative stimulation and for enjoyment (in most cases not leading to a formal qualification)
- **Family English, Maths and Language** - learning to improve the English, language and maths skills of parents, carers or guardians and their ability to help their children
- **Wider Family Learning** - learning to help different generations of family members to learn together how to support their children's learning
- **Neighbourhood Learning In Deprived Communities** - supports local Voluntary and other third sector organisations to develop their capacity to deliver learning opportunities for the residents of disadvantaged neighbourhoods

Please note, non-formula Community Learning funding follows funding model 10. Grant Funded non-formula funding is paid on a monthly profile, see Annex H.

266. Providers in receipt of a community learning grant allocation in Liverpool City Region will complete a short Community Learning Strategic Plan (Providers may use their existing Community Learning strategic or corporate plan where this fulfils the minimum requirements set out below and in Annex G) including:
- 266.1. Your curriculum plan and learner numbers and how this curriculum responds to local needs;
  - 266.2. How you will work in partnership with other providers, particularly those with a Community Learning allocation in your local area, to provide progression opportunities for learners;
  - 266.3. How you will work alongside specialist partners, such as health, Jobcentre Plus and schools, and voluntary and community sector (VCS) organisations to either provide or add value to learning, provide referral routes for support or promote access to under-represented learners;
  - 266.4. How your provision will provide social value to LCRCA residents and any outcomes including EDIMs you will seek to deliver in addition to learning outcomes.

267. The Community Learning Strategic Plan should also include supporting narrative of how Community Learning resources will be deployed to meet your communities and learners and include details of collaborative working with stakeholders.
268. The narrative should be concise and wherever possible reference existing documents that naturally occur as part of your community learning curriculum plans and local prioritisation of funding. If the Plan is not considered robust your AEB allocation will be restricted to a formula funded approach until it is agreed with the Combined Authority.
269. Colleges and Local Authorities with community learning allocations from the Combined Authority will detail within their planning:
  - 269.1. Evidence and practical application of collaborative curriculum planning for this provision with stakeholders including healthcare partners and Jobcentre Plus;
  - 269.2. Working with stakeholders including Jobcentre Plus to collaboratively plan to deliver more cohesive and accessible entry routes for learners with low-level skills and progression pathways into more advanced levels of qualifications and skills;
  - 269.3. Plans to deliver more cohesive and accessible entry routes for learners with low level skills including those who are economically inactive and those with no or low level skills aged 50 and over;
  - 269.4. Evidence and practical application of collaborative curriculum planning for this provision with other local Providers including Local authorities, Colleges and specialist partners and voluntary and community sector (VCS) organisations;
  - 269.5. Added value through links to voluntary and community sector (VCS) and grassroots engagement and referral organisations;
  - 269.6. Links to a diverse range of partners outside of the AEB provision linked to both health and employability; and
  - 269.7. Progression routes between their provision and that of other neighbouring Providers.
270. LCRCA does not require a PoundPlus policy as ESFA do. However you must have in place a 'Social Value' policy and co-operate with LCRCA in any social value returns on learner impact. Social Value may include other aspects of delivery that you generate in addition to ILR reported impacts or demonstrate added value such as the re-investment of fee income, support of funding that

benefits learners other sources, resources in kind (such as food banks etc) and other sources of support or volunteer time.

271. As part of your planning, we expect you to work with other Providers in your local area, who may be in receipt of non-formula community funding. We expect you to develop a strategic, efficient community learning offer to reduce duplication of courses in a locality, and signpost learners to other partners as and when appropriate, particularly in relation to learner progression.
272. Providers in receipt of a community learning grant allocation in Liverpool City Region will also complete the LCRCA Delivery Plan, providing details of the total value of Community Learning being delivered (including the value of sub-contracted ACL provision).
273. The community learning objectives, set out in [annex B](#), ask you to widen participation and transform people's destinies by supporting progression relevant to personal circumstances.
274. We would expect you to encourage and support all learners to progress onto new or more stretching provision to help them into more formal learning or employment. We would not expect to see:
  - 274.1. multiple enrolments on similar level courses, and/or
  - 274.2. a repeat of similar learning aims where this does not benefit the learner's development.
275. Where applicable, your LCRCA funded AEB allocation will include an amount of non-formula community learning funding. We state this value in your funding agreement. You must deliver non-formula funded community learning provision in line with the existing community learning objectives set out in annex B: Community learning objectives, up to this maximum amount.
276. Non-formula community learning funding will be reconciled against the community learning allocation line at the end of the funding year. You must repay funding that has not been used for Community Learning or where its use cannot be evidenced in line with the tolerances for grant funded providers set out for grant funders by LCRCA.
277. You must 'attribute costs' for eligible learners, up to the value of your non-formula community learning allocation. This should include the cost of delivering learning and any support costs as part of your end of academic year funding claim to LCRCA. This evidence may well be used as part of any audit of your provision.

278. We will monitor community 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.
279. Local fee remission policy - you must have in place and operate a fair and transparent community learning local fee remission policy that requires individuals to pay a course / tuition / joining fee, but also sets out clear eligibility criteria for those individuals who, due to their circumstances, qualify for either partial or total fee remission.
280. Your Plan, Social Value and Local Fee remission policies must be available on your website and/or in the venues, you deliver community learning to eligible learners.
281. You must not use non-formula community learning funding for learning that is eligible for funding through an Advanced Learner Loan.
282. If we fund you through a grant or financial memorandum, you have the flexibility to use all, or some, of your non-formula community learning funding in line with the AEB formula-funded methodology (funding model 35), to meet local demand. This flexibility works one way, you cannot use your formula funded AEB to fund additional community learning. Your community learning future allocation will not be adversely affected by this action as part of our allocation methodology. If model 35 formula funded delivery is undertaken through your community learning allocation you must:
- 282.1. follow the AEB formula-funded methodology and submit ILR data under funding model 35 for the delivery and support
  - 282.2. enrol learners following AEB eligibility requirements set out in LCR AEB contribution [Table 1](#) and [Table 2](#) and in the [learner eligibility](#) sections from unemployed up to and including learners with an EHC plan.
  - 282.3. not use your non-formula community learning local fee remission policy
283. You can support learners aged under 19 if they meet both of the following, they are: a parent, carer or guardian attending a wider family learning or family English, maths or language course funded through non-formula community learning using funding model 10 in the funding model field (refer to ILR guidance for more information)
284. You must not use non-formula community learning funding for learning that is eligible for funding through an advanced learner loan.

## **Narrowing of the gap of under-represented learners – Equality and Diversity Impact Measures**

285. [The Skills Strategy](#) sets out how the Combined Authority will deliver inclusive growth:
286. Equality and Diversity Impact Measures are a key part of measuring how Providers are individually and collectively helping to narrow the gaps for under-represented learners through skills provision.
287. Colleges, Local Authorities and Providers are required to support the Combined Authority to deliver inclusive growth through targeting of activity to narrow the gaps in skills and employment outcomes through the setting of Equality and Diversity Impact Measures detailed in their Self-Assessment Reports.
288. Underrepresented groups and disadvantaged learner's imbalances in learner cohort performance will be monitored by you as part of Equality and Diversity Impact Measures detailed within Self-Assessment Reports. You are required to record and monitor core Equality and Diversity Impact Measures including participation and achievement of:
  - 288.1. Learners aged 50 and over with low skills;
  - 288.2. Black and minority ethnic learners;
  - 288.3. Learners with learning difficulties and/or disabilities;
  - 288.4. Underrepresented learners by gender specific to your provision; and
  - 288.5. Former Armed Forces staff (all ages not just those in receipt of pension).
289. [Annex E](#) sets out more details on Equality and Diversity Impact Measures. The Combined Authority encourages Providers to continue to measure their own additional Equality and Diversity Impact Measures that you have measured longitudinally over a number of years.

## 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.

290. In order to deliver the team programme, you must get approval from the [Prince's Trust](#).
291. For eligible learners aged 19 to 25, we fund the team programme through [the ESFA's AEB funding methodology](#). Please also refer to the Princes Trust section in the [AEB funding rates and formula 2021 to 2022 guidance](#). The 2022 to 2023 guidance will be published shortly.
292. For eligible learners aged 16 to 19, the team programme is funded through [the ESFA's 16 to 19 funding methodology](#).

## Support funding – Learner and Learning support

The LCRCA funded AEB's over-arching 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 LCRCA funded AEB allocation enables you to claim learning support and/or learner support funding to meet the additional needs of learners.

### Learning support

293. 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.
294. Learning support must not be used to deal with everyday difficulties that are not directly associated with a learner's learning on their programme.
295. You must:
  - 295.1. carry out a thorough assessment to identify the support the learner needs agree and record the outcome of your assessment in the evidence pack
  - 295.2. record all outcomes on the evidence pack and keep all evidence of the assessment of the needs, planned and actual delivery

- 295.3. 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.
296. All learning support claims must be reported in the ILR. To claim any costs that exceed the fixed monthly rate you must also use the [earnings adjustment statement \(EAS\)](#).
297. 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.

## 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 (ELS).

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.

298. You must submit ELS 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 [ELS claims document](#) to [aeb@liverpoolcityregion-ca.gov.uk](mailto:aeb@liverpoolcityregion-ca.gov.uk) copying in your Relationship Manager.
299. 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.
300. 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

301. Learner support is available to provide financial support for individuals 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'.

- 301.1. Hardship funding – general financial support for financially disadvantaged learners to support participation in learning, to be claimed in arrears.
  - 301.1.1. Support for hardship should not be in the form of vouchers for a single establishment or limited range of sources, but instead paid to learners so that they can access goods and services they cannot afford, that are necessary to undertake learning in the most open and transparent way possible from a range of different sources.
  - 301.1.2. Evidence of learner expenditure for hardship should wherever possible be retained and be in line with your learner support policy.
  - 301.1.3. LCRCA is keen to support the cost of living and nutrition of learners. Providers may therefore claim a contribution to Breakfast Clubs (and other food related costs that support learners to be focused on their learning) through the EAS (using MCA Adjustment Line 5) at rate of up to £500 per month. This will be taken from providers' existing DLS allocations and overall AEB allocations
- 301.2. 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
- 301.3. Residential Access funding – to support ESFA funded AEB learners (set out in the who we fund section) where they need to live away from home in order to access provision
- 301.4. Support disadvantaged learners who cannot undertake online delivery in the event of local or national measures
- 302. You must not claim more than 5% of your total Learner Support 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.
- 303. You must:
  - 303.1. 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



- 303.2. assess and record the learner's needs, demonstrating the need for support – you must record this information and retain in the evidence pack
  - 303.3. report the appropriate Learner Support Reason codes in the 'Learner Funding and Monitoring' fields in the ILR. This does not apply to non-formula community learning
  - 303.4. complete 2 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 (EAS) each month if on a contract for services
  - 303.5. consider the availability of other support for learners, for example from Jobcentre Plus
  - 303.6. make it clear to learners it is their responsibility to tell the Department for Work and Pensions about any learner support they are receiving from you, as learner support payments may affect their eligibility to state benefits
  - 303.7. use either AEB or loans bursary to support specific provision funded by either AEB or ALL where a learner is on 2 courses at the same time
304. You must not use learner support funds for any of the following:
- 304.1. 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 new flexibilities in the first paragraph of [Response to coronavirus \(COVID-19\)](#)
  - 304.2. a learner in custody or released on temporary licence
  - 304.3. a learner carrying out a higher education course or learning aims fully funded from other sources
  - 304.4. to pay attendance allowances or achievement and attendance bonuses

## **Hardship**

305. You can use hardship funds for the following:
- 305.1. course-related costs, including course trips, books and equipment (where costs are not included in the funding rate)
  - 305.2. 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

- 305.3. 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)
  - 305.4. examination fees
  - 305.5. accreditation fees, professional membership fees and any fees or charges due to external bodies
  - 305.6. your registration fees
  - 305.7. to support learners on a traineeship including the work placement element
306. 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.
307. 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.

## **20+ childcare**

308. You can only use childcare funding to pay for childcare with a childminder, provider or childminder agency, registered with Ofsted.
309. You must not use childcare funding to:
- 309.1. fund informal childcare, such as that provided by a relative
  - 309.2. set up childcare places or to make a financial contribution to the costs of a crèche
  - 309.3. claim childcare costs in advance of the care taking place
  - 309.4. pay funding direct to a childcare provider including your own provision, costs must be reimbursed to the learner
  - 309.5. limit choice and value for money to a single or set list of childcare providers available to learners that may impact value for money
  - 309.6. fund childcare for learners aged under 20 on the first day of learning; instead you must direct them to the ['Care to Learn' programme](#).
310. You must not use childcare for those aged 20 years or older to top up childcare payments for those receiving 'Care to Learn' payments.

## **Residential access funding**

311. You can use residential access funding to support ESFA funded AEB 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.
312. You must:
- 312.1. set out the criteria and procedures for considering and agreeing applications for support from your residential access funds
  - 312.2. only pay for travel costs for learners who are awarded residential access funding in exceptional circumstances
  - 312.3. 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
  - 312.4. ensure costs claimed represent value for money for the local area
  - 312.5. where you have your own residential facilities, you must publish your rates

## **ICT devices and connectivity**

313. You can support disadvantaged learners who are undertaking classroom or blended learning to continue to participate via online learning where the learner is: self-isolating, or caring for others affected by any local/national measures if they:
- 313.1. do not have internet access at home, and/or
  - 313.2. do not have a suitable device, for example a laptop or tablet, to complete the necessary online course work
314. You must secure value for money when purchasing IT devices and/or internet access including:
- 314.1. 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
  - 314.2. 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

315. 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:
- 315.1. they will return the device when their online learning aim(s) complete, or if they leave before completing their learning
  - 315.2. they will return the device in the same condition in which they received it
316. 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:
- 316.1. the outcome of the assessment undertaken to identify the learner's individual needs
  - 316.2. the learner declaration referred to above

**LCRCA Job outcome payments and 'learning achievement' compensation payments (achievement payments for learners leaving courses early for a job)**

317. Job outcome payments. For eligible 19 year-old learners, we will pay the full 20% achievement element if they leave their training early to start a job. For other learners outcome payments are subject to meeting the following requirements.
318. For fully funded learners who are unemployed, we will pay 50% of the achievement payment if they start a job before achieving the learning aim. If the learner then achieves the learning aim, we will pay the remaining achievement payment. The following conditions apply:
- 318.1. 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 four consecutive weeks
  - 318.2. where the learner was claiming benefits relating to unemployment, they must also declare that they have stopped claiming these
319. In addition to the national compensation payment for early leavers, LCRCA will pay £300 from your allocation for job outcome payments resulting from a SWAP or pre-employability training. Further information on LCRCA job outcome payment requirements and claims are detailed in Annex C

## Section 3 – Payments and Performance management

320. This section sets out the principles by which we will manage your performance in the 2022 to 2023 funding year.
321. 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 or contract for services.
322. We will apply different performance management processes according to the type of funding agreement/contract we have with you. Within these processes, we will apply our principles of performance management consistently to all Providers.
323. We will use our approach to funding to make sure learning provision is of a high quality. We will use your track record over time to assess your ability to deliver education and training to the required standard. We will 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:
- 323.1. your Ofsted grade is inadequate
  - 323.2. your compliance checks have unresolved issues
  - 323.3. your data and declaration required returns to LCRCA are tardy or repeatedly inaccurate
  - 323.4. you are in formal intervention for minimum standards or inspection
  - 323.5. you have been issued with a notice for financial management and control
  - 323.6. 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
  - 323.7. you have significantly under-delivered against your contract value in previous years
  - 323.8. you are subject to an investigation for breach of contract and/or failed audit or had a contract termination by LCRCA or other commissioner including but not exclusive to ESFA, the Office for Students, other devolved funders such as MCAs and GLA.
324. You must notify LCRCA if you are subject to and/or notified formally of being subject to investigation by any other skills funding commissioning body including

but not exclusive to: ESFA, MCAs or GLA as devolved commissioners of skills funding or Office for Students.

325. As part of our funding compliance checks and assurance work, we will continue to monitor compliance with the funding rules. We will contact you where we identify you have submitted data that does not meet our funding rules, or the ILR and EAS requirements. We will require you to co-operate fully with audit and compliance checks in a timely manner, correct inaccurate ILR and EAS data or to adjust your final funding claim.
326. You must submit your funding claims in line with the funding claims 2022 to 2023 guide which we will publish alongside our Liverpool City Region Adult Education Budget 2022/23 Data Briefing Document in Summer 2022.
327. We will review the actual spend you submit in your final funding claim against the ILR and EAS data you provide.
328. Should your funding agreement be renewed in future academic years, we may increase or reduce your contract value to a level that is in line with your 2022/2023 outturn (increases are not guaranteed and are subject to affordability and Providers meeting our track record criteria set out above).
329. You can voluntarily reduce your AEB funding at any point in the year with LCRCAs agreement, but not to avoid under-performance tolerances. If you want to do this, please let your Combined Authority Relationship Manager know as soon as you are aware that you may have potential under delivery.
330. Your funding agreement will span two financial years:
  - 330.1. August 2022 to March 2023: periods 1- 8 of the 2022 to 2023 funding year
  - 330.2. April 2023 to July 2023: periods 9 to 12 of the 2022 to 2023 funding year.
331. You cannot vire between the two financial years without our written permission.
332. You cannot vire funds between the devolved AEB to any other funders programmes.
333. You cannot vire funds between funding agreements to another Provider even where this is within your group
334. The Combined Authority may increase, decrease or change the review points we operate, in line with delivery against the funding available or policy changes.

335. The Combined Authority may issue expressions of interest or award growth in allocations to deliver innovation through Test and Learn approaches at its discretion or other delivery referenced in these rules such as the Level 3 free courses for jobs funding dependent upon budget availability. The performance management rules for this funding will be made clear to you or are already as set out in these rules.

## **Continuing learners**

336. Learners residing in Liverpool City Region that started since the 1 August 2019 continue to be Liverpool City Region Authority responsibility and will be funded from your 2022/23 allocation.

## **National Skills Fund level 3 ‘free courses for jobs’ Adult offer for 19 to 23-year-old learners**

337. You can currently deliver Level 3 qualifications to eligible 19 to 23-year-old learners within your AEB adult skills allocation.
338. You must use LDM code 378 and FFI code 1 to record delivery for National Skills Fund level 3 offer when you submit ILR data. Please refer to the ILR specification for more information about using LDM codes.
339. 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 Relationship Manager know otherwise.
340. All providers are paid on the basis on actual delivery for the Level 3 Free courses for Jobs
341. This is separate from the National Skills Fund Level 3 Adult Offer for 24-year olds and above.
342. An expression of interest process was held ahead of the start of the academic year to determine learner demand for 24+ Level 3 Adult Offer learning aims for contract for services providers. Further opportunities to allocate resources may be considered should funding be available or distributed at performance management points.

## **AEB Grant Funding Agreements (paid on profile)**

343. If your AEB is allocated to you through a Grant Funding Agreement (paid on profile) for 2022/2023, we will make payments on the standard national profile as set out in [Annex H](#).
344. Your funding agreement will state the maximum amount of AEB provision you can deliver between 1 August 2022 and 31 July 2023. It will also state the maximum value of non-formula funded community learning we will fund (where applicable to you). Your AEB grant allocation can be used to fund new starts and continuing learners for adult skills and non-formula funded community learning and where applicable to you learner support. It cannot be used for the Level 3 Adult Offer for 24 years old and above this is separate - National Skills Fund.
345. Data should be submitted via the ESFAs Submit Learner Data Portal on a bimonthly basis from R02 in 2022/23
346. If your AEB is allocated to you as a block grant for 2022/2023 you must provide funding claims setting out your actual delivery to date and, where appropriate, provide a forecast for the remainder of the funding year. The funding claims must include adult skills, non-formula funded community learning and learner support funding. The funding claims you must provide are set out below:
  - 346.1. The mid-year funding claim – which may be subject to reconciliation;
  - 346.2. The final funding claim.
347. Any over delivery you undertake is at your own risk
348. The Combined Authority is currently considering rules related to in year reconciliation of grant funded providers following mid-year estimates which may also apply to unspent or under committed community learning allocations. Further guidance will be made available as part of the mid-year forecast process.
349. AEB Grants Funding Agreements and AEB contract for services remain separate with different payment and performance-management arrangements. You cannot vire funds between the two.
350. You cannot vire between your AEB grant allocation and your National Skills Fund Level 3 Adult Offer also known as the Level 3 free courses for jobs.
351. Test and Learn payments will be made in line with the national payment profile



## **Grant Funding Agreement Paid on Profile End of Year Reconciliation**

352. Where your delivery of the overall AEB is at least 97% of your Liverpool City Region AEB funding allocation for Grant Funded Providers, we will not make a year-end adjustment to your AEB funding allocation and you will not have to pay back any unspent funds. However, we will expect you to set out and submit to the Combined Authority proposals detailing how these unspent funds will be allocated to learning provision that meets the priorities of the Liverpool City Region including priority group learners and will ask for evidence that these funds have been applied as described.
353. Our calculation of whether you have delivered 97% will be up to the value specified in your grant funding agreement.
354. If you do not deliver 97% or above, the Combined Authority will confirm the value of funding you must pay back in a grant funding agreement reconciliation statement.

## **AEB and Grant Funded (paid on actuals)**

355. If your AEB is allocated to you through a Grant Funding Agreement (paid on actuals) for 2022/2023 you will be paid based on formula funded eligible learning aim delivery we will pay you on the basis of your actual delivery each month, up to your contract value for the financial and academic year. We will calculate the value of your actual delivery using the latest validated Individual Learner Record (ILR) and EAS data you provide.
356. Your funding agreement will state the maximum amount of AEB provision you can deliver between 1 August 2022 and 31 July 2023. It cannot be used for the Free Courses for Jobs/Level 3 Adult Offer for 24 years old and above this is separate - National Skills Fund.
357. The learner support component is claimed through the ESFA EAS template and reconciled throughout the year based on the funding claims you provide. We will recover under-delivery.
358. Monthly Learner Support authorised funding must be submitted to the ESFA Submit Learner Data portal via EAS under authorised claims in line with agreed deadlines.
359. We will inform you whether Growth requests can be made as part of your grant paid on actuals ahead of planned performance management points.
360. Any over delivery you undertake is at your own risk.
361. An expression of interest process will determine learner demand for 24+ Level 3 Adult Offer learning aims for AEB Grant paid on actuals providers with further commissioning options considered following this process.
362. You cannot vire between your AEB grant allocation and your National Skills Fund Level 3 Adult Offer also known as the Level 3 free courses for jobs.

## **Grant Funding Agreement Paid on Actuals In-Year Reconciliation**

363. Your allocation will be subject to in-year reconciliation as set out in these rules. Reconciliation is based on the data you provide in the ILR returns and EAS claims.
364. At the performance management points, set out in [Annex F](#) we will use the information you provide in your funding claims, ILR and EAS data to measure your performance against your monthly financial profile and Delivery Plan.

365. At the performance management points, we will reduce your contract value if your performance is outside the tolerance levels. The tolerance levels we will apply at the performance management points are set out in Annex F.
366. The reduction in your contract value will reflect some or all of the value of the under-delivery to date outside of the tolerance. We will not change this approach unless there are exceptional circumstances.
367. We will apply the reduction unless you demonstrate you were impacted by issues outside of your control.

## **Changes to your AEB Grant Funded Paid on Actuals delivery plan / allocation**

368. The Combined Authority will consider in-year change requests subject to affordability and subject to such requests addressing the skills priorities of the Liverpool City Region.
369. All Providers will be given equal opportunity to request change at the performance management points, subject to the conditions set out in this document and any additional criteria the LCRCA may apply in year. We expect Providers to assess the conditions set out in this document prior to submitting a change request.
370. If significant new funding becomes available in-year that would make a material difference to individual Provider contract values, we will give all Providers the opportunity to request change and reserve the right to go to open market for new or additional provision. We will apply a transparent assessment criterion depending upon budget availability, learner demand, and overall programme and individual provider performance. We will notify you in good time if we plan to launch a change request process outside of the published Performance Management Points.

## AEB Contract for Services

371. Contracts for Services have been awarded for five years (from the academic funding year 2022/23 to 2027/28), subject to annual performance reviews and budget availability.
372. AEB Contract for Services can be used to deliver formula funded adult skills and learner support for new starts, as appropriate. It cannot be used for the National Skills Funded Level 3 Adult skills offer.
373. Carry-in learners with a start date between the 1 August 2019 and 31 July 2022 can be funded through your LCRCA 2022.23 allocation.
374. Your Contract for Services will state the maximum amount of formula funded adult skills provision and learner support you can deliver between 1 August 2022 and 31 July 2023.
375. We will manage your contract in accordance with [Public Contracts Regulations 2015](#).
376. For formula funded eligible learning aim delivery we will pay you on the basis of your actual delivery each month, up to your contract value for the financial year. We will calculate the value of your actual delivery using the latest validated Individual Learner Record (ILR) and EAS data you provide.
377. The learner support component is claimed through the ESFA EAS template and reconciled throughout the year based on the funding claims you provide. We will recover under-delivery.
378. Monthly Learner Support authorised funding must be submitted to the ESFA Submit Learner Data portal via EAS under authorised claims in line with agreed deadlines.
379. Any over delivery you undertake is at your own risk.
380. At the performance management points, set out in [Annex F](#) we will use the information you provide in your funding claims, ILR and EAS data to measure your performance against your monthly financial profile and Delivery Plan.
381. At the performance management points, we will reduce your contract value if your performance is outside the tolerance levels. The tolerance levels we will apply at the performance management points are set out in [Annex F](#).
382. The reduction in your contract value will reflect some or all of the value of the under-delivery to date outside of the tolerance. We will not change this approach unless there are exceptional circumstances.

383. We will apply the reduction unless you demonstrate you were impacted by issues outside of your control.

## **Contract for Services Annual Performance Reviews**

384. As part of your 5 year contract for service we will undertake a thorough and robust annual performance review which will determine whether we continue to contract with you for the following academic year.
385. It is envisaged the performance review will consider the following non-exhaustive list of measures and management information:
- 385.1. Allocation expenditure
  - 385.2. Learner Success Rates / Achievement rates against national benchmarks, which may result in the removal of your capability to deliver certain qualifications or sector subject areas;
  - 385.3. Proportion of early leavers and/or breaks in learning;
  - 385.4. Issues resulting from LCRCA and/or other funders investigation work into your practices and engagement activities with learners;
  - 385.5. Reports from learner interviews and/or complaints regarding your provision
  - 385.6. Quality issues resulting from OFSTED inspections and/or Awarding Bodies reporting of issues
  - 385.7. No returns or tardy data returns and compliance returns of information
  - 385.8. Consistent error reporting on your ILR returns that are not addressed in a timely manner

## **Changes to your AEB delivery plan / allocation**

386. The Combined Authority will consider in-year change requests subject to affordability and subject to such requests addressing the skills priorities of the Liverpool City Region.
387. All Providers will be given equal opportunity to request change at the performance management points, subject to the conditions set out in this document and any additional criteria the LCRCA may apply in year. We expect Providers to assess the conditions set out in this document prior to submitting a change request.

388. If significant new funding becomes available in-year that would make a material difference to individual Provider contract values, we will give all Providers the opportunity to request change and reserve the right to go to open market for new or additional provision. We will apply a transparent assessment criterion depending upon budget availability, learner demand, and overall programme and individual provider performance. We will notify you in good time if we plan to launch a change request process outside of the published Performance Management Points.
389. At the performance management points set out in [Annex F](#), we will recover funds from underperformance. If, when recovered, the value is significant enough to make a material difference to individual Provider contract values, we may recycle it to Providers with the demonstrable capacity and capability to spend it in full. We will notify you if we intend to do this.
390. New funding and funding recycled from underperformance may be offered to Providers who meet the following criteria (please note the LCRCA reserves the right to apply additional criteria in year)
- 390.1. If you have evidence of AEB eligible demand for learning that meets local priorities;
- 390.2. If you have an AEB Grant Funding Agreement and are on or ahead of profile for delivery in year;
- 390.3. If you have an AEB contract for service and are on or ahead of profile for delivery in year against your Monthly Financial profile at the performance management points;
- 390.4. You have a good track record of forecasting and delivery. Please note you will be judged on the accuracy of your forecasts for any future change requests;
- 390.5. You are not under notice for failure of inspection or breach of contract;
- 390.6. Any Provider under a notice to improve, additional conditions of funding or additional contractual obligations in relation to minimum quality standards for 19+ education and training will be assessed at the discretion of the LCRCA
391. We will calculate the amount of additional funding offered to Providers who meet the criteria using a locally consistent methodology. We will confirm this methodology when we do issue new funds or recycle funds.
392. Failure to deliver against your agreed delivery plan could constitute a breach of contract and may lead to a loss of payment for any variances to delivery.

## **Skills and Learner priorities**

393. Subject to affordability and a change request process being launched, we will publish our priorities and the process for applying for any change.

## **Test and Learn pilot payments**

394. It is anticipated that LCRCA will launch an expression of interest process to deliver a Test and Learn pilot during the 2022/23 academic year for all providers. Test and Learn pilots promote innovative delivery to alleviate a market failure highlighting an employer / industry need or failure to address the learning needs of a particular cohort of learners.

395. It is anticipated that those requesting and that are successful with Test and Learn expressions of interest will claim 50% of expected costs in the November return and 50% in the March return via the Earnings Adjustment Statement (EAS), guidance is provided in the LCRCA Data Briefing document. Providers will need to send a final expenditure statement in July 2023.

396. All Test and Learn pilots should commence within the academic year 2022/2023 and all providers must complete by 31 July 2023.

397. For grant funded providers 2022/23 Test and Learn Pilot allocated amounts will be paid automatically on the standard national profile, subject to year-end reconciliation.

398. For Test and Learn pilots resulting from a successful expression of interest, payments will be made via the Earnings Adjustment Statement (EAS).

398.1. 50% claim made in November will be paid in December

398.2. 50% claim made in March will be paid in April.

399. Performance will be monitored by your Relationship Manager and will be subject to reconciliation.

400. You will be required to monitor and report on outcomes when requested by the Combined Authority.

## **Test and Learn Pilot End of Year Reconciliation**

401. The Combined Authority reserves the right to recover unspent funding allocations following an end of year review, evaluation and reconciliation process. If you do not deliver 100% of the funding provided for Test and Learn pilots, we will confirm the value of funding you must pay back in a reconciliation statement following completion the expenditure template (capital expenditure necessary to undertake pilots will be agreed by exception).

## National Skills Fund Level 3 Adult offer for 24-year-old learners and above

402. The amount included in your National Skills Fund – Level 3 Adult Offer letter is to deliver: National Skills Fund - Level 3 Adult Offer for 24-year-old learners and above.
403. We will pay for the Level 3 Adult Offer on the basis of your actual delivery each month, up to your contract value for the financial year. We will calculate the value of your actual delivery using the latest validated ILR data you provide
404. Funding for learner support and learning support is included in your allocation
405. You must use LDM code 378 and FFI code 1 to record delivery when you submit ILR data. Please refer to the ILR specification for more information about using LDM codes.
406. If requested providers must provide a mid-year forecast setting out your actual delivery to date and, where appropriate, provide a forecast for the remainder of the funding year. The funding claims you must provide if requested are set out below:
  - 406.1. mid-year forecast
  - 406.2. final funding declaration
407. Any delivery you undertake above this level is at your own risk and will not be paid.
408. You cannot request a virement between your AEB grant allocation and your Level 3 Adult Offer allocation.
409. The funding agreements for AEB grant allocations and AEB contract for services remain separate with different payment and performance-management arrangements. You cannot request a virement of funds between the two.
410. There will be a Performance Management Point for the National Skills Funding Level 3 Adult Offer as outlined in [Annex F](#).



# Annex A: Eligibility for Funding

A1 This annex details which countries will meet the residency requirements detailed in paragraph 44

## A2. **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

## A3 **EEA**

The EEA comprises of the following countries:

- All Member States of the European Union

A4 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
- Switzerland

A5 Although Switzerland is not part of the formally recognised EEA, its nationals are eligible under various international treaties signed by the UK and Swiss governments.

A6 The Annex A Table 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 AEB funding rules.

**Annex A Table:**

Denmark	<p>The following is part of Denmark:</p> <ul style="list-style-type: none"> <li>• Greenland</li> <li>• Faroe Islands</li> </ul>
Finland	<p>The following is part of Finland and the EU:</p> <ul style="list-style-type: none"> <li>• Aland islands</li> </ul>
France	<p>The following is part of France and the EU:</p> <ul style="list-style-type: none"> <li>• the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon)</li> </ul> <p>The following is part of France:</p> <ul style="list-style-type: none"> <li>• New Caledonia and its dependencies</li> <li>• French Polynesia</li> <li>• Saint Barthélemy</li> </ul>
Germany	<p>The following is part of Germany and the EU:</p> <ul style="list-style-type: none"> <li>• Tax-free port of Heligoland</li> </ul>
Netherlands	<p>The following is part of the Netherlands:</p> <ul style="list-style-type: none"> <li>• Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten)</li> <li>• Aruba</li> </ul>
Portugal	<p>The following is part of Portugal and the EU:</p> <ul style="list-style-type: none"> <li>• Madeira</li> <li>• The Azores</li> </ul>
Spain	<p>The following is part of Spain and the EU:</p> <ul style="list-style-type: none"> <li>• the Balearic Islands,</li> <li>• the Canary Islands,</li> <li>• Ceuta</li> <li>• Melilla</li> </ul>

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

## Annex B: Community learning objectives

- B1. Focus public funding on people who are disadvantaged and least likely to participate, including in rural areas and people on low incomes with low skills
- B2. Collect fee income from people who can afford to pay and use where possible to extend provision to those who cannot
- B3. Widen participation and transform people's destinies by supporting progression relevant to personal circumstances, including:
- improved confidence and willingness to engage in learning
  - acquisition of skills preparing people for training, employment or self-employment
  - improved digital, financial literacy and/or communication skills
  - parents/carers better equipped to support and encourage their children's learning
  - improved/maintained health and/or social well-being
- B4. Develop stronger communities, with more self-sufficient, connected and pro-active citizens, leading to:
- increased volunteering, civic engagement and social integration
  - reduced costs on welfare, health and anti-social behaviour
  - increased online learning and self-organised learning
  - the lives of our most troubled families being turned around
- B5. Commission, deliver and support learning in ways that contribute directly to these objectives, including:
- bringing together people from backgrounds, cultures and income groups, including people who can/cannot afford to pay
  - using effective local partnerships to bring together key providers and relevant local agencies and services
  - devolving planning and accountability to neighbourhood/parish level, with local people involved in decisions about the learning offer
  - involving volunteers and voluntary and community sector groups, shifting long term, 'blocked' classes into learning clubs, growing self-organised learning groups, and encouraging employers to support informal learning in the workplace
  - supporting the wide use of online information and learning resources
  - minimising overheads, bureaucracy and administration

## **Annex C. LCRCA Job outcome payments**

### **Job outcome payments for learners undertaking Sector Based Work Academy programme (SWAP) and Pre-Employment Training**

- C1. The Combined Authority has tested further outcome payments linked to job outcomes resulting from sector-based work academy programme (SWAP) and Pre-Employment Training in 2022/23. This decision has been made following the completion of an independent evaluation, the recommendations included in the report support the continuation of outcome payments.
- C2. The Combined Authority are keen to ensure inclusive growth, providing access to work experience and job outcomes for unemployed and economically inactive residents.
- C3. To support these aims we will fund job outcome claims over and above the achievement of learning as part of SWAP (agreed by employers and Jobcentre Plus/DWP) and job outcomes achieved as a result of a learner completing other non-sector based work academies Pre-Employment Training.
- C4. Pre-Employment Training includes skills for employment vocational programmes, encompassing priority and non-priority SSAs, inclusive of SSA 14.2 Preparation for Life and Work, Employability Training.

### **Eligible Learners and Learning**

- C5. Only learners starting the appropriate programmes in the academic year 2022/23, with all required evidence, will be eligible for job outcome claims.
- C6. Learners must be eligible for fully funded learning for unemployed people and must have completed either a SWAP (approved by Jobcentre Plus/DWP) or a Pre-Employment Training programme formula funded by devolved AEB as a resident of Liverpool City Region.
- C7. Fully funded eligible learners include those who are unemployed and those learners who are deemed economically inactive as a result of not claiming benefits but have self-declared to their college or provider that they are now seeking work (appropriate self-declaration documentation must be completed and retained).
- C8. Learning supporting eligible learners for an outcome payment will:
- Be supporting a learner who is unemployed or self-declared as economically inactive and not in any form of work on their first day in learning;

- Be paid for through funding model 35 (formula funding) rather than funding model 10 (community learning).
- At Level 2 or below.

### **Sector based work academy programme**

- C9. SWAPs are one form of employability focused programme supported by devolved AEB. They can last up to 6 weeks and have 3 main components:
- Pre-employment training that is relevant to the needs of the business and sector;
  - Work experience placement, of benefit to both the individual and business; and
  - A guaranteed job interview linked to the employer vacancy
- sector based work academies pre-employment training and work experience placement last up to 6 weeks
- All elements of the programme (including work experience placement) are subject to a maximum of 35 hours activity each week to meet the requirements of state benefit rules
  - More details on sector based work academies can be found [here](#):
- C10. SWAP can be supported with devolved AEB funding within the following parameters:
- You must plan to deliver the pre-employment training and where appropriate, a work experience placement, which must be aligned to a guaranteed job interview with a named employer.
  - If pre-employment training leads to a qualification, you must offer the qualification from an Ofqual-regulated awarding organisation.
  - Pre-employment training must focus on activities that will help progression to an apprenticeship and/or sustainable employment. Addressing the employability needs of the learner could include writing CVs, preparing for interviews, searching for jobs and developing interpersonal and communication skills.
  - Learning aims for sector-based work academies will not attract additional funding as they are fully funded for all unemployed learners.
  - If a learner returns to the SWAP, within the same academic year, no further job outcome claim will be approved.
  - SWAP must be recognised by, Jobcentre Plus / DWP to be eligible for job outcome payments from a provider's existing allocation. Copy of the claimant's SWAP referral notification is kept in the evidence pack.
  - SWAP vocational related learning will be earned from the provider's allocation and evidenced / claimed through the ILR.

## **Sector based work academy programme and Pre-Employment Training**

- C11. SWAP and Pre-Employment Training can be fully funded through the devolved AEB funding available for all unemployed learners for units on the Qualifications and Credit Framework (QCF) in line with the general funding and AEB eligibility rules set out in this document.
- C12. You can offer activities, including appropriate technical qualifications and skills required by the local labour market that will help the learner move into work or remove a barrier to them entering work.
- C13. You must assess all learners for English and maths as part of SWAP and Pre-Employment Training programme.
- C14. You must support learners to progress to a GCSE grade A\* to C, grade 4 or higher, or level 2 Functional Skills. You may use English and maths steppingstone qualifications (including components, where applicable).
- C15. You can continue to fund a learner to complete their English and maths qualifications beyond completion of their Pre-Employment Training and into employment where applicable.
- C16. You must support learners to achieve English for speakers of other languages (ESOL) qualifications where necessary.

## **Job outcome payment**

- C17. We will pay £300 for a successful job outcome claim if the specified criteria and evidence requirements are met.
- C18. You must be in receipt of evidence from the employer and/or Jobcentre Plus/DWP of a positive job outcome as a result of a SWAP or completion of a Pre-Employment Training programme or other suitable evidence of sustainable employment.
- C19. You must not claim job outcome compensation payments described elsewhere within the funding rules. This is in addition to any funding delivered through associated learning and payments for achievement.
- C20. Job outcome claims do not attract additional funds to your allocated maximum contract value. Outcome payments can only be claimed where you have sufficient funding within your remaining allocation in 2021/2022.
- C21. A maximum 5% is permitted, for job outcome claims, from within your total contract allocation. Any in-year growth can be proportionally applied to this 5%. In-year growth, following Performance Management Points, will be agreed

through the application of a consistent methodology decided by the Combined Authority Commissioning Panel.

- C22. The claim is processed by using the required learning aim as detailed in the Funding and Performance Management Rules and the Data Briefing Guidance. The process does align to the disadvantaged uplift payment; therefore, providers are required to monitor the cumulative value each month to ensure it does not exceed 5%.

### **Eligible jobs for outcome payments**

- C23. Employment in any sector which has been sustained for more than four consecutive weeks for at least 16 hours per week (on average).
- C24. Agency employment and self-employment are accepted job outcomes if all evidence and criteria have been met. Job outcome claims will not include all jobs.
- C25. We will not fund, and you must not submit a job outcome claim:
- for zero-hour contract employment
  - for job outcomes achieved following the completion of Community Learning – code 10
  - for job outcomes achieved following the completion of learning at level 3 or above

### **Job outcomes evidence requirements**

- C26. You must gain 3rd party evidence from the employer and/or Jobcentre Plus/DWP which is authenticated that confirms the learner has secured a job for at least 16 hours or more a week for four consecutive weeks or other suitable evidence of sustained employment.
- C27. You must hold the evidence in the learner's Individual Learning Plan and/or evidence pack for audit purposes:
- 3rd party verification which is authenticated for example; company email, company stamped paperwork, compliments slip, letter headed paper
  - ULN, learner name, DOB
  - Employer Contact Details – name, email and postal address
  - Job Outcome Details – job role, permanent or temporary, number of hours completed each week (average), start date confirmed
  - Learner self-declarations of being economically inactive and not in any form of employment prior to learning
- C28. Other suitable evidence:

- A learner self-declaration will be accepted if no other 3<sup>rd</sup> party evidence can be secured. This must be authentic and include all of the information stated above.

C29. audit and compliance checks will encompass both hard copy and electronic evidence.

### **Recording Requirements**

C30. Tracking and reporting destinations via completion of the appropriate fields in the ILR are required to support analysis of the social and economic impact achieved by AEB delivery, therefore the destination field is now a mandatory field for all providers within your LCRCA return. This recording requirement applies consistently to all, this is not dependent on future job outcome claims and is subject to audit. Please refer to the ESFA Provider Support Manual for further information - <https://guidance.submitlearnerdatabeta.fasst.org.uk/psm>

C31. The job outcome must be achieved within 13 weeks of the learning end date to be eligible for payment. The ILR should only be updated to confirm the job outcome claim when the required evidence has been secured.

C32. Valid job outcome claims for 2022/23 must be submitted by the R14 final return.

C33. The final valid employment start for 2022/23 will be 31st July 2023.

C34. An outcome payment of £300 can be claimed by selecting the agreed learning aim (refer to the Data Guidance Briefing 2022/23) for either SWAP or Pre-Employment Training. The learning aim start date will be on the date the learner started employment. This specific learning aim must be closed the day after the employment start date. Accordingly, this means that the completion and learning end date will be the day after the employment start date.

C35. This learning aim can only be used once per period of learning and only one job outcome payment can be claimed per individual learner per academic year.

### **Learner support**

C36. Learning support for SWAP and Pre-Employment Training is available as set out in the funding rules for other devolved AEB provision. For learners requiring Exceptional Learner Support, you must follow these rules and claim learner support using the EAS.



# **Annex D – Equality and Diversity Impact Measures (EDIMs)**

## **What are EDIMs?**

- D1. They are targets (usually quantified) aimed to address identified variation between different groups of clients and narrowing gaps.
- D2. They define actions that set out 'how' quantified targets can be achieved.
- D3. EDIMs will provide challenging but realistic targeted measures for improvement;
- D4. They measure progress against a baseline, and have clear milestones, monitoring and reporting procedures.

## **Why do we set EDIMs?**

- D5. To ensure all Liverpool City Region resident AEB funded learners have equal opportunity to access learning and skills to achieve success.
- D6. Colleges, Local Authorities and Providers should aim to support learners to have equal chances of success and opportunities for progression through EDIMs.
- D7. EDIMs provide a measure of success in narrowing gaps and any imbalances evident within a client group or where performance is not as a result of unfair or unequal access, treatment or opportunity to learning.
- D8. To develop and share best practice in supporting particular client groups engage in learning and achieve in their learning.

## **How should Colleges, Local Authorities and Providers set EDIMs?**

- D9. Self-assessment reporting should identify differences for particular cohorts, trends in achievement, retention and progression.
- D10. EDIMs are based on College and Provider analysis of their local learner cohort;
- D11. Under-represented learners and the absence of learners engaged in learning may also be measured and targets for improvement set through EDIMs.

## **What type of EDIMs can you set?**

- D12. Specific EDIMs could identify and seek to address and narrow gaps in relation to age, ethnicity, gender, disability and learning difficulty.
- D13. More specific measures may include: number of starts, number of leavers, success rates, withdrawal rates and job outcomes.
- D14. The setting of targets should consider local demographics and local economic circumstances.

## **Where should EDIMs be recorded?**

- D15. EDIMs should be included within a Liverpool City Region Combined Authority AEB funded self-assessment report.

D16. Lead Providers should ensure sub-contractors are aware and record EDIMs in their own self-assessment processes.

**How should EDIMs be monitored?**

D17. Colleges, Local Authorities and other Providers need to continually work to narrow gaps in learner occupancy and performance with clear actions for staff monitored through self-assessment reporting.

D18. EDIMs could equally be monitored through Equality and Diversity Impact Assessments as part of a change process for curriculum or generally.

## Annex E: Branding Guidelines

- E1. It is the responsibility of providers funded through **LCRCA devolved AEB to ensure that they adhere to the Branding Guidelines. All parties, including subcontractors, producing publicity materials regarding the programme must meet these requirements.**
- E2. Audits and verification checks will be carried out, it is therefore vital that all programmes not only meet the requirements but also retain verifiable evidence of compliant communication activities undertaken.

### Logos

- E3. All information and communication measures provided shall acknowledge support from the Liverpool City Region AEB Funds (LCR AEB), by displaying:
- The Liverpool City Region Combined Authority Logo and the Metro Mayor Logo (supplied together as a “lock up”) in accordance with the technical brand guidelines
- E4. The Logos should always be clearly visible and placed in a prominent position. Its position and size shall be appropriate to the scale of the material or document being used.
- E5. To ensure the integrity of the Logos at all times allow for the exclusion zone. This is the minimum clear area needed around the logo. For maximum impact and instant recognition, the Logo should not be crowded by other visual elements.
- E6. Adequate white space should be left around the logo so that its prominence is not compromised. The exclusion zone allows for a clear area around the Logo at all times ensuring clarity.
- E7. If other logos are displayed in addition then all shall have at least the same size, measured in height or width.
- E8. In order to ensure a harmonised visual identity, providers must display the Logos together with the words Liverpool City Region Adult Education Budget
- E9. It is mandatory that the Logos are used and applied correctly, prominently and consistently on all websites, publicity materials and programme documentation produced in relation to all provision supported by the LCRCA AEB fund.
- E10. The Logos shall be created in accordance with the graphic standards set out in technical brand guide and can be accessed through the Egress site.

## **Posters, Prints, Publications and Websites**

E11. Providers are required to place at least one poster with information about the programme (minimum size A3), including the financial support from the LCR AEB, at a location readily visible to the public, such as the entrance area of a building.

E12. The Logos shall be clearly visible and placed in a prominent position on the poster, following the required standards.

E13. In addition to the Logos all printed documents, publications and websites must acknowledge and reference the funding through inclusion of the following line:

***This programme has been funded by the Liverpool City Region Combined Authority's Adult Education Budget.***

Examples listed below include activities and materials which must comply with the requirements (this is not exhaustive):

- Leaflets, brochures, newsletters, invitations, flyers and posters
- Case studies
- Exhibition banners and display panels
- Induction materials – Providers, including subcontractors, must ensure that they have provisions in place to notify those taking part in activities, associated with the programme, about the support from the fund at the start of their activity

E14. Logos on websites should be visible when landing, where this is possible, or inside the viewing area of a digital device, without requiring a user to scroll down the page. Where the provider is placing details of the funded programme on a website, which is not exclusively for the LCR AEB, the full colour version of the Logos should be placed on the main programme specific page. This does not preclude the provider from also placing the Logos on the homepage where they feel this is appropriate. Logos should be displayed in colour on websites (in all other media, colour shall be used whenever possible and a monochrome version may only be used in justified cases).

E15. Electronic and hard copies of all materials should be kept as evidence of compliance.

## **Media and PR Activity**

E16. A minimum of two weeks' notice of any planned media or other official communications activities related to programmes funded by the LCRCA AEB must be given to the Liverpool City Region Combined Authority Communications Team via [aebliverpoolcityregion-ca.gov.uk](mailto:aebliverpoolcityregion-ca.gov.uk). This relates to events which are LCRCA AEB focused and where you are requesting support from the Combined Authority. Requests will be acknowledged and if support can be offered this will be discussed.

E17. Permission needs to be granted by the Liverpool City Region Combined Authority Communications Team before any press releases or other content - e.g. news stories / features / web content are issued or published, if versions request quotes or other content, this sign-off will be obtained from the Combined Authority Communications Team, if appropriate.

E18. All press releases relating to programmes supported by the LCRCA AEB should include the relevant version of the Logos and must feature the following line:

- ***This programme has been funded by the Liverpool City Region Combined Authority's Adult Education Budget***

E19. Please note that the funding agreement/contract for services must be in place before any media or PR activities to publicise the programme are commenced.

### **Evidencing Publicity Activities**

E20. Regular monitoring and audits can take place a long time after the programme has been completed. Providers and subcontractors should ensure all evidence is kept until advised by the Combined Authority that it is safe to dispose of it.

E21. Should a Provider not adhere to the Branding Guidance they will be considered to be in breach of their grant funding agreement / contract for services.

Please email [aeb@liverpoolcityregion-ca.gov.uk](mailto:aeb@liverpoolcityregion-ca.gov.uk) for Logos and further technical guidance. This must be prior to contract start date to ensure standards are met from the commencement of delivery.

## Annex F: Performance management review

F1. Adult Education Budget tolerances and minimum thresholds:

	<b>1<sup>st</sup> PMP Following the November submission (R04)</b>	<b>2<sup>nd</sup> PMP Following the March submission (R08)</b>
Tolerance for under-delivery	6%	3%
Lower threshold for contract value adjustments	£20,000 or at discretion of LCRCA	£20,000 or at discretion of LCRCA
Change request form published	November 2022	March 2023
Change requests to be received by	December 2022	April 2023
Delivery information using the latest validated ILR data you provide	December 2022	April 2023
Providers told the outcome by	December 2022	April 2023

F2. National Skills Fund Level 3 Adult Offer – Level 3 Free Courses for Jobs

	<b>1<sup>st</sup> PMP Following the November submission (R04)</b>	<b>2<sup>nd</sup> PMP Following the March submission (R08)</b>
Tolerance for under-delivery	TBC	TBC
Lower threshold for contract value adjustments	£5,000 or at discretion of LCRCA	£5,000 or at discretion of LCRCA
Change request form published	November 2022	March 2023
Change requests to be received by	December 2022	April 2023
Delivery information using the latest validated ILR data you provide	December 2022	April 2023
Providers told the outcome by	December 2022	April 2023

## Annex G: Community Learning (ACL) Strategic Plan Template

(Providers may use their existing ACL strategic plan where this fulfils the minimum requirements set out below)

A	Provider Name: <span style="float: right;">UKPRN:</span>
B	Local Authority Areas targeted through your ACL:
C	Your curriculum plan and how this responds to local needs and narrowing the gaps in attainment and skill level in LCR. How will you ensure that the provision offered specifically supports narrowing the gaps for under-represented learners in terms of engagement and achievement rates? Include information relating to existing monitoring and work towards delivery of Equality and Diversity Impact Measures.
D	Please outline your collaborative planning with local partners to develop a strategic and efficient adult and community learning offer to reduce duplication and support learner progression
E	How you will work alongside local voluntary sector organisations to either provide or add value to learning, provide referral routes for support or promote access to under-represented learners;
F	How your provision will provide social value to LCRCA residents and any outcomes including EDIMs you will seek to deliver in addition to learning outcomes.
G	Other Strategic links to partners and local plans:
H	What barriers did you encounter in delivering your full allocation in 2021/22, what actions did you take and how will these actions ensure full delivery of your allocation in 2022/23?
I	Was your mid-year forecast accurate for community learning in 2021/22 and what systems will you adopt or operate to ensure accurate estimates of expected delivery at mid-year point in 2022/23?
J	What value for money measures do you adopt as part of your curriculum planning for community learning? What average cost per learning aim / enrolments do you envisage as part of your community learning cost planning assumptions?

## Annex H: Standard national profiles

The following table refers to P1 to P12. These represent the funding year periods where P1 is August and P12 is July.

**Table 1: AEB grant standard national profile**

	<b>P1 Aug</b>	<b>P2 Sep</b>	<b>P3 Oct</b>	<b>P4 Nov</b>	<b>P5 Dec</b>	<b>P6 Jan</b>	<b>P7 Feb</b>	<b>P8 Mar</b>	<b>P9 Apr</b>	<b>P10 May</b>	<b>P11 Jun</b>	<b>P12 Jul</b>
AEB block grant (including community learning)	14.40%	8.56%	8.65%	7.06%	5.67%	7.42%	5.38%	5.34%	12.75%	10.26%	8.74%	5.77%
<i>AEB block grant cumulative profile</i>	14.40%	22.96%	31.61%	38.67%	44.34%	51.76%	57.14%	62.48%	75.23%	85.49%	94.23%	100.00%



## Annex I: AEB & National Skills Fund Level 3 Adult Offer Proposed Claim & Payment Dates 2022/23

Return Period*	Delivery period	Claim Date	ILR/EAS Date	Payment Date**
R01	Aug-22	Sep-22	06/09/2022	22/09/2022
R02	Sep-22	Oct-22	06/10/2022	20/10/2022
R03	Oct-22	Nov-22	04/11/2022	24/11/2022
R04	Nov-22	Dec-22	06/12/2022	22/12/2022
R05	Dec-22	Jan-23	06/01/2023	19/01/2023
R06	Jan-23	Feb-23	06/02/2023	23/02/2023
R07	Feb-23	Mar-23	06/03/2023	23/03/2023
R08	Mar-23	Apr-23	06/04/2023	20/04/2023
R09	Apr-23	May-23	05/05/2023	25/05/2023
R10	May-23	Jun-23	06/06/2023	22/06/2023
R11	Jun-23	Jul-23	06/07/2023	20/07/2023
R12	Jul-23	Aug-23	04/08/2023	24/08/2023

**\*Grant funded providers are required to submit AEB data at least 6 times per year, every two months from R02. For Level 3 Programme, Grant Funded Providers are required to submit data on a monthly basis. Contract for Service providers are required to submit data on a monthly basis for all programmes.**

**\*\* These payment dates are for Contract for Payment Services and for Grant Funded Organisations from R02 onwards. R01 payment for AEB to Grant Funded Organisations will be made on 25/08/2022**

# 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.
AEB funding methodology	The funding methodology for individuals aged 19 and over, participating in AEB learning. You can access <a href="#">AEB funding methodology</a> on GOV.UK.
Advanced learner loan	<a href="#">Advanced learner loans</a> are available for individuals aged 19 or above to undertake approved qualifications at levels 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 Student Loans Company.
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 Department for Education scheme to assist young parents under the age of 20 with the childcare costs that may form a barrier to them continuing in education.
Community Learning	Helps people of different ages and backgrounds gain a new skill, reconnect with learning, pursue an interest, and learn how to support their children better, or prepare for progression to more formal courses/employment.
Components of regulated qualification	A subset of a qualification, which could be a unit.
Continuers	Learners who commenced learning in a previous funding year and remain in learning as of 1 August 2021
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 EDS qualifications for learners who have digital skills assessed at below level 1. Qualifications that are designated up to and including level 1 are: Essential Digital Skills Qualifications
Direct costs of learning	Any costs for items without which it would be impossible for the learner to complete their learning aim. This can include the costs of registration, examination or any other activities or materials without which the learner cannot achieve their programme of study.

Term	Description
Earnings adjustment statement (EAS)	The form providers need to complete to claim funding that cannot be claimed through the Individualised Learner Record (ILR).
Education health and care (EHC) plan	An EHC plan replaces statements of special educational needs and learning difficulty assessments for children and young people 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.
Employment status (formerly employed)	<p>The main types of employment status are:</p> <ul style="list-style-type: none"> <li>• worker</li> <li>• employee</li> <li>• self-employed and contractor</li> <li>• director</li> </ul>
English for speakers of other languages (ESOL)	The study of English by speakers of other languages.
European social fund (ESF)	The ESF is a structural fund from the European Union (EU). It improves the skills of the workforce and helps people who have difficulties finding work.
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	<a href="#">Find a learning aim</a> provides online services to find the latest information on available qualifications, 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	<p>The following qualifications are designated full at level 2:</p> <ul style="list-style-type: none"> <li>• General Certificate of Secondary Education in five subjects, each at grade C or above, or grade 4 or above</li> </ul> <p>a Technical Certificate at level 2 which meets the requirements for 2018 to 2019 16 to 19 performance table</p>

Term	Description
Full level 3	<p>The following qualifications are designated full at level 3:</p> <ul style="list-style-type: none"> <li>• a General Certificate of Education at the advanced level in two subjects</li> <li>• a General Certificate of Education at the AS level in four subjects</li> <li>• a QAA Access to Higher Education (HE) Diploma at level 3</li> <li>• a Tech level or applied general qualification at level 3 which meets the requirements for 2018 16 to 19 performance tables</li> </ul>
Full or co-funding Indicator (FFI)	Indicates whether a learning aim is fully funded or co-funded in Adult Skills or Other Adult Funding.
Functional skills	Applied practical skills in English, maths and ICT that provide the learner with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work.
Funding agreement	The agreement between the Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA) and providers who receive funding for education and skills training.
Funding Model (10 and 35)	Identifies the funding methodology we apply to submission of finalised ILR data. For AEB funding, Funding Model 10 (Community Learning) and 35 (Adult Skills) are used, noting model 10 is non-formula funded (i.e. ILR data does not generate a funding rate and is paid on monthly profile) and model 35 is formula funded. More information is available in the <a href="#">ESFA ILR Specification</a> .
Funding year	The ESFA's adult funding system operates on a funding year basis, which starts on 1 August and finishes on 31 July.
General Data Protection Regulation	The General Data Protection Regulation (GDPR) is a, Europe-wide law that replaced the Data Protection Act 1998 in the UK. It is part of the wider package of reform to the data protection landscape that includes the Data Protection Act 2018. The GDPR sets out requirements for how organisations must handle personal data.
Guided learning	<p>As defined by Ofqual: "The activity of the learner in being taught or instructed by – otherwise participating in education or training under the immediate guidance or supervision of – a lecturer, supervisor, tutor or other appropriate provider of education or training. For these purposes the activity of 'participating in education and training' shall be treated as including the activity of being assessed if the assessment takes place under the immediate guidance or supervision of a lecturer, supervisor, tutor or other appropriate provider of education or training."</p> <p>You can find more information in the <a href="#">Ofqual Handbook</a></p>
Hardship	Within learner support, a category of support to assist vulnerable and disadvantaged learners to remove barriers to education and training.
High value courses skills offer	High value qualifications adapted from an already approved for funding regulated qualification list

Term	Description
Individualised learner record (ILR)	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 allocate funding for further education.
Job outcome payments	Payments made for learners who are unemployed at the start of learning who cease learning to take up a job. Job Outcome Claims are different to job outcome payments. Please refer to the <a href="#">ANNEX D</a> (Year 2 LCRCA flexibility)
Learner residency	We use the term 'resident' or 'residence' in this document for different purposes. <ul style="list-style-type: none"> <li>• Residence in the UK, EU and EEA has specific definitions in education law, and this is set out in the 'residency eligibility' section.</li> <li>• Following the devolution of adult education functions, there is a new emphasis on residence in England, in determining and evidencing eligibility for ESFA funded AEB - see 'who we fund' and 'evidence' sections.</li> </ul> This means the permanent residency of an individual in England (i.e. not a temporary address for duration of learning taking place), immediately prior to enrolment determines eligibility for ESFA and LCRCA funded AEB.
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.
Learning aim	Statements that describe the overarching intentions of a course
Learning aim reference number	The unique eight-digit code used to identify a specific learning aim.
Learning delivery monitoring (LDM)	A code used as part of the Individualised Learner Record (ILR) to indicate participation in programmes or initiatives.
Learning planned end date	The date entered onto the individualised learner record (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 <a href="#">Equality Act 2010</a> , for learners with an identified learning difficulty and/or disability to achieve their learning goal.
Legal entitlement	The legal entitlement to education and training allows learners to be fully funded who are aged: <ul style="list-style-type: none"> <li>• 19 and over, who have not achieved a grade 4 (legacy grade C), or higher, and study for a qualification in English or maths up to and including level 2, and/or</li> <li>• 19 to 23, if they study for a first qualification at level 2 and/or level 3</li> <li>• 19 and over, who have digital skills assessed at below level 1</li> </ul>

Term	Description
Local flexibility	Regulated qualifications, and or their components, and non-regulated learning that the ESFA funds, that is not part of the English and maths, or level 2 or level 3 legal entitlement offer. All regulated and non-regulated learning that is available for funding through the flexible local offer is listed on <a href="#">Find a learning aim</a> .
Low wage threshold	The Combined Authority has set a threshold salary level to the Real Living Wage to enable low paid employed people to access fully funded skills provision. The new Real Living Wage was announced on 22 <sup>nd</sup> September 2022 as £10.90 per hour across the UK ( <a href="#">as detailed here</a> ) enabling a greater proportion of learners to access fully funded skills provision. The annual Real Living Wage is assumed to be £21,225 (£10.90 per hour) annual gross salary. This is based on the assumption of a 37.5 hour contract with paid statutory holiday entitlement (therefore, £10.90 multiplied by 37.5 hours per week, multiplied by 52 weeks per year).
Non-formula community learning funding	Where applicable, Grant Funded Providers receive a non-formula funded community learning allocation' as part of their AEB which is paid on a monthly profile. Submission of ILR data does not generate a funding value for the learning aim/s a learner participates on. Instead providers attribute costs up to the value of their non-formula community learning allocation. Providers submit community learning data through funding model 10. More information is available in the <a href="#">2019 to 2020 ILR Specification</a>
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"> <li>• independent living skills and engagement learning</li> <li>• employability and work skills</li> <li>• labour market re-entry</li> <li>• technical education tasters</li> <li>• community learning</li> </ul>
Not in employment, education and training (NEET)	A young person aged 16-24 who is no longer in the education system and who is not working or being trained for work.
Ofqual	The <a href="#">Office of Qualifications and Examinations Regulation</a> , which regulates qualifications, examinations and assessments in England.
Personal learning record (PLR)	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.

Term	Description
Recognising and Recording Progress and Achievement (RARPA)	The Learning and Work Institute have published <a href="#">updated RARPA Guidance</a> . This comprises a clear framework designed to support learners through the learning process, identifying key outcomes. It provides a robust approach to quality control and improvement of non-regulated provision with a focus on self-assessment that supports standards acceptable to the Office of Standards in Education (Ofsted). You can access further information from <a href="#">The Learning and Work Institute</a> .
Recognition of prior learning (RPL)	An assessment method that considers whether a learner can demonstrate that they can: <ul style="list-style-type: none"> <li>• meet the outcomes for a qualification or a component of a qualification through knowledge, understanding, or</li> <li>• skills they already have and so do not need to undertake a course of learning for that component or qualification</li> </ul>
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)	Sector-based Work Academy Programme is a DWP scheme that offers pre-employment training, work experience placements and a guaranteed job interview for recipients of Jobseeker's Allowance (JSA), Universal Credit (all work-related requirements group) or Employment and Support Allowance.
Self-declaration	A process where the learner can confirm something through his or her own signature.
Senior responsible person	For example, chief executive, managing director, principal or their equivalent.
Skills advisory panel (SAP)	SAPs aim to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. This includes both immediate needs and challenges and looking at what is required to help local areas adapt to future labour market changes and to grasp future opportunities. This will help colleges, universities and other providers deliver the skills required by employers, now and in the future.
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.

Term	Description
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.
Subcontractor and/or third party	<p>We define a sub-contracting and/or third-party provision as: any organisation engaged by the lead provider under a formal or informal agreement, including a subcontract, partnership agreement, service level agreement, secondment agreement or similar between the lead provider and another organisation pursuant to which that organisation (or employees thereof) agrees to provide delivery or services that engages, delivering learning or assesses learners.</p> <p>A sub-contractor or third party must be a separate legal entity that has an agreement with you to deliver any element of the education and training or part of learner engagement or learner journey you or we fund. A separate legal entity includes companies in your group, other associated companies and sole traders. It also includes individuals who are self-employed or supplied by an employment agency, unless those individuals are working under your direction and control, in the same way as your own employees i.e. as associates.</p>
Take home pay	An unemployed learner may also receive an income alongside their benefit claim. In order to be fully funded under the unemployed definition their “take home pay” (stated on the Universal Credit statement) is less than £345 a month (sole adult in their benefit claim) or less than £552 a month (joint benefit claim with partner)
UK provider reference number	A unique identifying number given to all providers by the UK register of learning providers.
Unique learner number	A 10-digit number used to match a learner's achievement to their personal learning record (PLR).
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 <a href="#">16 to 19 funding methodology</a> on GOV.UK.
Virement	The process of moving money from one financial account or part of a budget to a different one.



# Summary of main changes from previous version of Funding Rules

We have outlined below some of the main changes in this document compared initial version we published for 2022/23 contract year in the table below.

Please note this is not an exhaustive list of all changes or recent updates. You must refer to the main document for the definitive rules, which apply to all providers of education and training who receive funding from the Liverpool City Region Combined Authority.

If you have a specific query on the funding rules, please use the [aeb@liverpoolcityregion-ca.gov.uk](mailto:aeb@liverpoolcityregion-ca.gov.uk)

Section	Rule change section	Change
<b>UK nationals in the EEA</b>	Annex A	Updated UK nationals in the EEA for clarity in response to queries and related Annex A.
<b>Indefinite leave to enter or remain'</b>	Who we will fund	<p>Indefinite leave to enter or remain' This includes Afghans eligible under the Afghan Relocation and Assistance policy (formally known as Locally Engaged Staff under the intimidation policy).</p> <p>All Ukrainian adults and their family members supported through the <a href="#">Ukraine Family Scheme</a> and <a href="#">Ukraine Sponsorship Scheme</a> are immediately eligible for FE 19+ funding and are exempt from the 3-year residency requirement</p> <p>All Ukrainian adults and their family members supported through the <a href="#">Ukraine Extension Scheme</a> are immediately eligible for further education 19+ funding and are exempt from the 3-year residency requirement as per the current funding rules.</p> <p>Those individuals and their family members who had permission to stay in the UK on or before 18 March 2022 can apply for the Ukraine Extension scheme.</p>
<b>Asylum Seekers</b>	Who we will fund	For the purposes of these rules, asylum seekers that are eligible for funding whilst not undertaking paid work are deemed to be economically inactive.
<b>Job Outcome payments</b>	Job Outcomes	Job outcome payments

Section	Rule change section	Change
		For eligible 19 year-old learners, we will pay the full 20% achievement element if they leave their training early to start a job.
<b>Subcontracting rules</b>	Sub-contracting	Updated to reflect additional subcontracting rules for LCRCA, and related declarations and returns.
<b>National Skills Fund level 3 offer Adult Offer</b>	National Skills Fund Level 3 Adult Offer	- from 1 April 2022 eligibility for the level 3 adult offer is being expanded for adults who meet the definition of 'low wage' or 'unemployed'. The National Skills Fund level 3 offer section sets out the rules regarding this offer.  We have updated the relevant sections of the government contribution table and learners in receipt of low wage to reflect the policy changes
<b>Learning in the Workplace</b>	National Skills Fund Level 3 Adult Offer	Updated learning in the workplace to reflect that the adult level 3 offer can now be delivered in the workplace
<b>Heavy good vehicle (HGV) and Forklift driver training</b>	HGV and Forklift Drivers	HGV rules have been included in the AEB rules with updates included re category codes.
<b>Community Learning</b>	Community Learning	Providers in receipt of a community learning grant allocation in Liverpool City Region will complete a short ACL Strategic Plan  Strengthened to ensure that providers evidence money spent on community learning
Residency eligibility	LCR Residency	Updated to reflect current policy.
Recognition of Prior learning	RARPA	Paragraphs updated to reflect current position on prior learning.
Legal Entitlements	Level 2 and Level 3 and English and maths	Paragraph added to information box to clarify the legal entitlements for level 2 and level 3 follow the definition of fullness; a learner can only be fully funded for one vocational qualification from the entitlement list and appropriate IAG should be given to a learner
LCR AEB contribution table	Government Contribution Table 1 and 2	The Government contribution table has been simplified and information is now presented by the different age groups (19 to 23 and 24+).

Section	Rule change section	Change
Unemployed	Unemployed	This section now reflects updates to the thresholds.
Learners in receipt of low wage	Low Wage / Real Living Wage section	Updated to reflect the real living wage
Sector-based Work Academy Programme	Annex C	Paragraph added to ensure a copy of the claimant's SWAP referral notification is kept in the evidence pack.
National Skills Fund – Level 3 adult offer	Level 3 Adult Offer	<p>Additional flexibility that allows eligible adults to access a more substantial qualification through the offer, if they have first taken a shorter vocational qualification</p> <p>Addresses eligibility for short course qualifications</p> <p>Changes from 1st April regarding eligibility for those in receipt of a low wage and unemployed learner eligibility.</p>
Annex A – Eligibility of funding		Updated