

Financing adult learning database

Name of the instrument - Local language	[Based on the 'Apprenticeship levy] - Adult Education Budget
Name of the instrument - English translation	Adult Education Budget
Scheme ID	326
Country	 United Kingdom
Reporting year	2020
Type of instrument	Training fund
Sub-type of instrument	National level collection and regional level distribution
Type of entry	Single instrument

Short description	<p>The Adult Education Budget (AEB) funds qualifications and programmes for learners aged 19+. The total AEB budget is set by the UK Government, with the Education and Skills Funding Agency (EFSA) confirming each FE provider's funding allocation or maximum contract value for the forthcoming year. Providers earn funding up to their maximum by delivering education and training that is approved for public funding. Employers and learners can access AEB funding via their local training provider or FE College. The AEB is a resource for employers who need to improve the skills of their workforce to meet the future challenges of automation and skills shortages. It can support staff to gain new skills, improve their current level of knowledge in an occupation, or prepare them for an apprenticeship. Individual learners can gain new skills to support career development for career changes, or improve progression opportunities in their employment.</p>
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Level of operation	Regional
Name of a part of the country	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Apprenticeship, Skills, Children and Learning Act 2009

Objective(s) and target(s)	The AEB aims to engage adults and provide the skills and learning they need to equip them for work, 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.
Year of implementation	2015
Year of latest amendment	2019
Operation/management	The Adult Education Budget is administered by the Education & Skills Funding Agency (ESFA). In 2018-2019 a proportion of the funding was devolved to the following regions under the Local Democracy, Economic Development and Construction Act 2009: - The Greater Manchester Combined Authority; - The Liverpool City Region Combined Authority; - The West of England Combined Authority; - The Tees Valley Combined Authority; - The Cambridgeshire and Peterborough Combine Authority; - The Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority. - The Mayor of London also has a devolved settlement under the Greater London Authority Act 1999.
Eligible group(s)	AEB can support the following learners in England: - Fund anyone aged 19-23 to get a full level 2 or 3 qualification, if they do not already have one. Those aged 24+ may have to contribute some costs. - Fully fund low-wage learners aged 24+ to get a first full level 2 or 3 qualification. - Fully fund anyone who is unemployed for any qualification or course up to level 2. - Fully fund any low-wage individual for whom English is not their first language to improve their language skills and knowledge up to level 2. - Fully fund English and maths, up to and including Level 2, for individuals aged 19+, who have not previously achieved a GCSE grade A-C or Grade 4, or higher. In 2018, a pilot was launched to support employed learners on a low wage below a certain threshold.
Group(s) with preferential treatment	yes
Education and training eligible	Provided by local training providers or colleges. Any training that leads to the qualifications at level 2 or 3 is valid.
Source of financing and collection mechanism	The total AEB budget is set by the UK Government, with the Education and Skills Funding Agency (ESFA) confirming each FE provider's funding allocation or maximum contract value for the forthcoming year. Providers earn funding up to their maximum by delivering education and training that is approved for public funding.
Financing formula and allocation mechanisms	Funding rules are published annually, current rules: https://assets.publishing.service.gov.uk/government/uploads/system/uplo... AEB is funded through general taxation. Distribution is allocated through an annual funding mechanism published by the UK Government. The annual maximum budget is set in the national budget. The fund

	is a demand-side instrument.
Eligible costs	ESFA AEB is allocated as a grant to adult education providers annually. The maximum amount each institution is provided is set. Approved trainer providers submit a bid for grant allocations annually. Approved trainer providers can make a claim for funding for learning costs if an individual is eligible. Ineligible costs include: - Qualifications, units or learning aims that are not listed in the Qualification funding approval: funding year 2020-2021 manual. - Provision to learners in custody (prison education funded by the Ministry of Justice). - End-point assessment outside of apprenticeship standards; - Any part of any learner's learning aim or programme that duplicates provision they have received from another source. - Training through ESFA funded AEB, where a learner is undertaking or planning to undertake an apprenticeship that will replicate vocational and other learning aims covered by the apprenticeship standard or framework, offer career related training that conflicts with the apprenticeship aims, be taking place during apprenticeship working hours. - Repeating the same regulated qualification where they have previously achieved it (unless a GCSE where a learner did not achieve a grade 4 (C) or higher). - Sitting or resitting a learning assessment or examination where no extra learning takes place.
Volumes of funding	2019-2020: GBP 1 027 787 (approx. EUR 1 149 110)2018-2019: GBP 1 445 593 (approx. EUR 523 119)2017-2018: GBP 1 452 627 (approx. EUR 1 629 692)
Beneficiaries/take up	Not available
Organisation responsible for monitoring/evaluation	ESFA is the overall body responsible for managing the AEB. 6 Combined Authorities and the Greater London Authority have devolved responsibility for adult education functions and management of the AEB in their geographical regions.
Most relevant webpage - in English	https://www.gov.uk/government/publications/adult-education-budget-fundi...
Most relevant webpage - local language	https://www.gov.uk/government/publications/adult-education-budget-fundi...
Recent changes	<p>From 01 August 2019 six mayoral combined authorities and the Greater London Authority are accountable for administering the AEB in their areas. ESFA remained responsible for the budget not devolved. AEB spending declined by 17% in cash terms between 2017-18 baseline and 2018-19.</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>
Sources	<p>UK Government</p> <p>Education and Skills Funding Agency (ESFA)</p> <p>IFS: 2020 / 2019 / 2018 Annual Reports on Education</p>

Spending in England 2020:

<https://www.ifs.org.uk/publications/15150> 2019:

<https://www.ifs.org.uk/publications/14369> 2018:

<https://www.ifs.org.uk/publications/13306>'4. House of Commons Library