



March 2017

Dear Colleague,

I am writing to provide your allocation statement for the 2017 to 2018 funding year: it includes the allocations that are relevant to you. Please read it with the following documents: [skills funding letter 2017 to 2018](#) and our [funding and performance management rules for the 2017 to 2018 year](#).

## **Apprenticeships**

Reforms to the apprenticeship system mean that providers will be able to earn apprenticeship funding through different routes. As a result of this, please note that your allocation statement does not include apprenticeship funding at this time. The following section of this letter sets out the reasons for this in more detail.

### **New starts (starts from 1 May 2017)**

You will earn funding for new apprenticeship starts through your delivery to levy paying employers and/or non-levy paying employers. Please note that any funding you secure for non-levy starts from 1 May is not included in your allocation statement as it is being communicated separately.

### **Carry-in learners (apprentices that start before 1 May 2017)**

We want to ensure that apprentices that start before 1 May 2017 (carry-in learners) are funded until the end of their programmes. We will allocate funding in future years (2017 to 2018 and beyond) to meet the cost of these apprentices.

In early February 2017, we published updated [apprenticeship performance management rules for the 2016 to 2017 funding year](#). These rules set out our commitment to fund carry-in learners 'reflecting funding previously paid by the Skills Funding Agency'. The next section of the letter explains how we will work out your carry-in allocation.

### **Allocations for carry-in learners for the remainder of the 2016 to 2017 year**

You have funding in your current 2016 to 2017 allocation until the end of July 2017. You therefore already have funding in place for your carry-in learners for the remainder of this funding year.

In April (alongside performance management point 2) we will review the amount of funding you have in the April 2017 to July 2017 element of your current allocation to ensure it contains sufficient funding for carry-in. We will contact you in May if we need to adjust your allocation.



### **Allocations for carry-in learners for 2017 to 2018**

We will work out the value of your 2017 to 2018 carry-in allocation in June, based on your R10 data return. Calculating your carry-in allocation in June will enable us to work your allocation out on the basis of your actual delivery, rather than us trying to forecast your activity to issue your allocation earlier. We have consulted on this with the Association of Colleges, Association of Employment and Learning Providers and our Provider Reference Group.

We encourage you to submit full and timely data at R10 as this will improve the accuracy of the carry-in allocation we work out for you. We will confirm your carry-in allocation for the 2017 to 2018 funding year in July 2017.

The methodology we will use to work out your carry-in will be based on your actual data at R10 and the following assumptions:

- all apprentices remain on programme until their planned end date and draw down all on-programme payments due. Note that for Trailblazer Standards we will first convert any remaining balance to be paid into on-programme payments
- there is no drop-out
- all apprentices achieve on their planned end date and draw down their achievement payment on this date
- for Trailblazer Standards incentive payments will be drawn down on the date they are due
- an allowance for data lag.

Where applicable, funding will be allocated beyond 2017 to 2018 to ensure apprentices that started before 1 May 2017 can complete their programmes.

Please note that if you only deliver apprenticeships, for the reasons given above, you will not have an allocation statement attached to this letter.

### **Adult education budget**

We continue to allocate your adult education budget as a block grant. We have set the baseline for your 2017 to 2018 allocation at the level of your 2016 to 2017 contract value as at January 2017. It includes the value of any traineeship growth you were awarded at performance management point 1 of the 2016 to 2017 funding year. Where applicable to you, it also includes community learning funding.

Your allocation statement does not include any funds you may be awarded through the adult education budget procurement that closed on 27 February. If you submitted a bid, we will notify you of the outcome in May. Funding awarded through the procurement is for the 2017 to 2018 funding year and will not automatically be consolidated in future baselines.



### **Continuing learners**

In the past, learners that started a programme aged 16 to 18 but turned 19 during their programme moved from being funded by the Education Funding Agency (EFA) to the Skills Funding Agency (SFA). This has been a complex arrangement and one we are simplifying for the 2017 to 2018 funding year. We have transferred funding to EFA at a national level to cover the cost of these 'continuing learners' that we currently fund. This means that the EFA will now fund these learners until the end of their programmes. This was communicated in [December 2016](#).

If this applies to you, your allocation statement shows a negative funding value for '19+ continuing learners'. Your allocation statement from the EFA will show a corresponding positive funding value for these learners. Please note that if you are a Sixth Form College, your allocation statement will not show a value for continuing learners as EFA already fund your continuing learners until the end of their programmes.

### **Future devolution of the adult education budget**

We continue to work with ministers and other stakeholders on the proposals to devolve adult education budget funding to areas with agreed devolution deals. Your 2017 to 2018 adult education budget allocation is not affected by devolution plans.

### **SFA contracted 16-18 traineeships and bursary**

We have worked out your SFA contracted 16-18 traineeship allocation using your delivery over 12 months until November 2016. We have also included the value of any traineeship growth you were awarded at performance management point 1 of the 2016 to 2017 funding year.

We have worked out your 16-18 traineeship bursary allocation using your delivery over 12 months until November 2016. We have then applied a 10% increase. Your allocation is consistent with decisions made at performance management point 1 of the 2016 to 2017 funding year.

### **Advanced learner loan facility and bursary**

We have set the baseline for your 2017 to 2018 loan facility at the same level as your latest 2016 to 2017 facility value (as at February 2017).

In 2017 to 2018, loans provision can no longer be sub-contracted. If you have significant levels of sub-contracting, our provider management team will have contacted you to discuss how you intend to transition from using sub-contractors.

Your loans bursary allocation has been worked out using your latest 2016 to 2017 contract value.



If you wish to discuss your allocation statement, please contact your provider manager.

Yours sincerely,

Keith Smith

Director – Funding and Programmes

### **Allocation statement notes**

The Skills Funding Agency reserves the right to reduce or withdraw your allocation(s) at any stage if, based on information from audit or other processes, we believe we are putting public funds at risk.

This allocation statement does not create any legal obligation or expectation enforceable against the Secretary of State for Education acting through the Skills Funding Agency, an executive agency of the Department for Education.

We have used nationally consistent methodologies to work out allocations.

We will only apply increases to your 2016 to 2017 contract values where you have successfully passed the capability and capacity section of the Register of Training Organisations at the point we issue contract variations.

We will continue to operate in-year performance management processes.

Should you wish to raise any queries on your statement, please do so through your provider management contact. If, due to an exceptional circumstance only, you want to raise an issue with the values on your allocation statement, the deadline for submitting a case is **5 May 2017**. We will not consider any requests after this date. We expect to review all cases in May and June 2017 and share outcomes by the end of July 2017.



# Skills Funding Agency

**UKPRN**  
10000001

**Provider Name**  
grant

## Participation funding

### Adult education budget:

Baseline	<input type="text" value="£0"/>	
of which, 19+ continuing learners	<input type="text" value="£0"/>	<i>Value transferred to EFA for 19+ continuing learners (negative value)</i>
<b>2017 to 2018 allocation</b>	<input type="text" value="£0"/>	<i>Total value of 2017 to 2018 AEB allocation</i>
August 2017 to March 2018	<input type="text" value="£0"/>	<i>Value of allocation to use from August 2017 to March 2018</i>
April 2018 to July 2018	<input type="text" value="£0"/>	<i>Value of allocation to use from April 2018 to July 2018</i>

### 16 to 18 SFA-contracted traineeships:

Baseline	<input type="text" value="£0"/>	
<b>2017 to 2018 allocation</b>	<input type="text" value="£0"/>	<i>Total value of 2017 to 2018 allocation</i>
August 2017 to March 2018	<input type="text" value="£0"/>	<i>Value of allocation to use from August 2017 to March 2018</i>
April 2018 to July 2018	<input type="text" value="£0"/>	<i>Value of allocation to use from April 2018 to July 2018</i>
of which		
Traineeships bursary	<input type="text" value="£0"/>	<i>Total value of 2017 to 2018 allocation for traineeships bursary only</i>

## Advanced learner loan

### Advanced learner loan facility:

Baseline	<input type="text" value="£0"/>	
<b>2017 to 2018 facility</b>	<input type="text" value="£0"/>	<i>Total value of 2017 to 2018 facility</i>
August 2017 to March 2018	<input type="text" value="£0"/>	<i>Value of facility to use from August 2017 to March 2018</i>
April 2018 to July 2018	<input type="text" value="£0"/>	<i>Value of facility to use from April 2018 to July 2018</i>

### Advanced learner loan bursary:

Baseline	<input type="text" value="£0"/>	
<b>2017 to 2018 bursary</b>	<input type="text" value="£0"/>	<i>Total value of 2017 to 2018 bursary</i>
August 2017 to March 2018	<input type="text" value="£0"/>	<i>Value of bursary to use from August 2017 to March 2018</i>
April 2018 to July 2018	<input type="text" value="£0"/>	<i>Value of bursary to use from April 2018 to July 2018</i>