



March 2018

Dear Colleague,

UKPRN	12345678
Legal Name	Casterbridge College

Please find enclosed your allocation statement for the 2018 to 2019 academic year. Please read it along with the relevant Funding and Performance Management Rules for the 2018 to 2019 year (when published). Annex A includes diagrams summarising the methodologies set out in this letter.

Adult education budget

We continue to allocate your (non-procured) adult education budget as a block grant. We have worked out your allocation as follows: we have taken your post-performance-management point 2 contract value (February 2018) and rolled it forward. This means your allocation includes any growth we awarded you at performance management points 1 and 2 in 2017 to 2018.

Where applicable, your allocation includes a funding amount for non-formula funded community learning, as set out in your funding agreement. You can deliver non-formula funded community learning provision up to this amount but we will not fund any delivery above this.

For your contract for service allocation we are converting your current 9-month contract into a 12-month contract and increasing its value accordingly. We have done this by taking your contract value as at February 2018 (including growth awarded at performance-management points 1 and 2 of 2017 to 2018) and adding the proportions of the standard national profile for August, September and October.



Education & Skills Funding Agency

We want you to earn your allocation with confidence. We are therefore committing to fund 3% over-delivery at the end of the 2018 to 2019 academic year. This means we will fund over-delivery up to 103% of your allocation, subject to you meeting our usual track-record checks. Any delivery you undertake above this level is at your own risk and we will not fund it. Our policy remains that we will not fund over-delivery on non-formula funded community learning. In calculating the 3% we will include non-formula funded community learning delivery up to the amount set out in your funding agreement but we will not include delivery over this amount.

The 3% end-year reconciliation tolerance remains in place for your block grant allocation for the 2018 to 2019 academic year. Where you deliver at least 97% of your allocation you will not have to pay back any unspent funds. Where you deliver less than 97% of your allocation, you must pay back any unspent funds up to the full value of your funding allocation. Our calculation of whether you have delivered 97% will only include delivery of non-formula funded community learning up to the value specified in your funding agreement.

In February 2018, you submitted your mid-year forecast to us for the 2017 to 2018 academic year. If you are forecasting an underspend on your adult education budget block grant and/or have underspent in previous years, we will invite you to review whether you wish to reduce your 2017 to 2018 block grant and/or your 2018 to 2019 block grant. Any changes you agree with us will supersede the allocation values in this statement.

As you will be aware, government plans to devolve the adult education budget to Mayoral Combined Authorities (MCAs) and delegate to the Greater London Authority (GLA) from 2019 to 2020, subject to them meeting readiness conditions. This will change the way the budget is distributed and allocations are calculated. The changes will affect all providers so it is important you understand them; we explain more about this later in the letter.

In preparation for devolution and delegation from 2019 to 2020, MCAs and the GLA are using 2018 to 2019 as a transition year during which they will work closely with providers to understand the mix and balance of provision in their respective areas. As part of this, MCAs with a formal Memorandum of Understanding (Liverpool City Region, Tees Valley, West of England, Greater Manchester, West Midlands and Cambridgeshire and Peterborough) may wish to vary your adult education budget block grant for the 2018 to 2019 academic year. The MCA will discuss this with you directly.



Education & Skills Funding Agency

Allocation changes can only take place where you: agree to them; are not in intervention, or; you do not have declining financial health or, you are not under an Education and Skills Funding Agency notice or implementing area review outcomes. Any changes the MCA makes must be cost-neutral across providers.

MCAs have to inform us by 27 April 2018 of any variations they wish to make. You will need to agree to any proposed variations before they are sent to us on this date. Any change agreed by you, the MCA and us, will be reflected in your funding agreement and will supersede the allocation value in this statement.

Advanced learner loan facility

We have set your baseline using your approved, attended and paid loan applications in 2016 to 2017. If you meet our track-record criteria we have increased your baseline by 3%, otherwise you receive the baseline.

We have then applied one of the following rules:

1. If we awarded you growth at performance management point 1 or 2 of the 2017 to 2018 academic year, or your contract value did not change at these points, your facility will be the greater of your baseline or your post-performance management point 2 contract value. If we awarded you growth at performance management point 1 but then reduced your facility at performance management point 2, we will still apply this rule.
2. If we reduced your contract value at performance management point 2 of the 2017 to 2018 academic year, your facility will be the lower of your baseline or your post-performance management point 2 contract value.
3. If you had no delivery recorded in 2016 to 2017 you will receive a minimum allocation of £5,000.

Advanced learner loan bursary

We have set your baseline by calculating the lower of your full-year delivery in 2016 to 2017 or 250% of your 2016 to 2017 bursary allocation. If you meet our track-record criteria we have increased your baseline by 3%, otherwise you have received the baseline.



We have then applied one of the following rules:

1. If we awarded you growth on your loan facility or bursary at performance management point 1 or 2 of the 2017 to 2018 academic year, your bursary will be the greater of your baseline or your post-performance management point 2 contract value.
2. If your bursary did not change at performance management point 1 or 2, your facility will be the lower of your baseline or your post-performance management 2 contract value.
3. If you had no delivery recorded in 2016 to 2017 you will receive a minimum allocation of £500.

Apprenticeships

If you only deliver apprenticeships, you will not have an allocation statement attached to this letter. This is because the statement does not include any apprenticeship funding at this time.

2017 to 2018

You have funding in your current 2017 to 2018 contract until the end of July 2018. You therefore already have funding in place for your carry-in learners for the remainder of this academic year.

If you were unsuccessful in the non-levy procurement and received a 3-month contract extension to enable you to continue to deliver new starts between 1 January and 31 March 2018, we will confirm your carry-in allocation for the remainder of 2017 to 2018 academic year in April 2018 based on your March (R08) data return. Please ensure you submit full and timely data at R08 as this will improve the accuracy of the carry-in allocation we work out for you.



2018 to 2019

You may have apprentices that will still be in learning on 31 July 2018. We will work out your allocation for these apprentices using your May (R10) data submission and issue it in July 2018. 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.

The allocation we issue in July will include funding for apprentices that will not have completed their apprenticeship by 31 July and that started:

1. before 1 May 2017 (under the old funding system)
2. with non-levy employers between 1 May and 31 December 2017 under the new funding system
3. with non-levy employers between 1 January and 31 March 2018 (for providers that were offered a 3 month run-down extension).

We will continue to use our standard carry-in methodology to work out your allocation. It assumes:

- all apprentices remain on programme until their planned end date and earn all on-programme payments due
- there is no drop-out
- all apprentices achieve on their planned end date and earn their achievement payment on this date
- there is a data lag.

Where applicable, we will allocate funding beyond 2018 to 2019 to ensure apprentices can complete their programmes.



Devolution of the adult education budget from 2019 (excluding 19-24 traineeships)

From the start of the 2019 academic year, the government plans to devolve the adult education budget (excluding 19-24 traineeships) to six MCAs and delegate to GLA. This change will affect all providers. The areas in scope are:

- Cambridgeshire and Peterborough
- Greater Manchester
- Liverpool City Region
- Tees Valley
- West Midlands
- West of England.

Government has also indicated its support for devolution of the adult education budget to the Sheffield City Region and the North of Tyne authorities but this is subject to the necessary statutory requirements and consents being secured.

The implications of devolution/delegation are that in future:

- For learners resident in non-devolved areas, we will provide funding - where there is a contractual relationship between us and a provider.
- For delivery in devolved/delegated areas, MCAs/GLA will determine which providers they contract with.
- For learners resident in devolved/delegated areas, MCAs/GLA will determine all funding, allocation and contract management arrangements for the providers they have chosen to contract with.
- In future, you may have a single funding relationship with us or multiple funding relationships covering one or more MCAs/GLA, plus ESFA.



Education & Skills Funding Agency

- You can gauge how this change might impact you by reviewing your adult education budget delivery (excluding 19-24 traineeships) on a geographic basis to see what proportion of your delivery sits within devolved/delegated/non-devolved areas.
- Traineeships for 19-24 year olds will remain a nationally funded and contracted programme with funds provided by us, regardless of where trainees reside.
- The value of adult education budget funding providers have received in previous years will change, because:
 - we will be taking historical delivery into account in calculating our allocations
 - MCAs/GLA will determine allocations for those providers they have chosen to contract with.
- Funding we provide for non-devolved areas (that can be distributed through an allocations process) will be confirmed in March 2019.

In order to calculate the relative devolved/delegated/non-devolved shares of the adult education budget, we will use full-year 2017 to 2018 funding data to determine how much funding each learner accounts for and whether they reside in a devolved/delegated or non-devolved area. We will convert:

- non-devolved learner funding into a budget for us to manage and distribute
- devolved/delegated learner funding into a budget for MCAs/GLA to manage and distribute.

It is therefore important that you record 'learner postcode prior to enrolment' data in the ILR completely and accurately as this information will drive budget setting. Where funding for individual learners cannot be determined from ILR data (for example, on learner support and non-formula funded community learning as these are block-funded) we are applying consistent assumptions at provider level instead.



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We will provide further information and advice on these changes and how they will affect you as details are finalised.

If you have any queries about your allocation statement, please contact your provider manager in the first instance.

If, due to exceptional circumstances, you wish to raise an issue about your allocation values (i.e. you have had significant data issues which have adversely affected the allocations we have worked out for you), you can submit a business case to us. The deadline for submitting a case is 10 May. We will confirm the outcome of business cases by the end of July 2018.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Smith'.

Keith Smith
Director – Funding and Programmes

Allocation statement notes

This allocation statement sets out your indicative funding allocation(s) for the 2018 to 2019 academic year.

The Education and 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.



Education & Skills Funding Agency

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

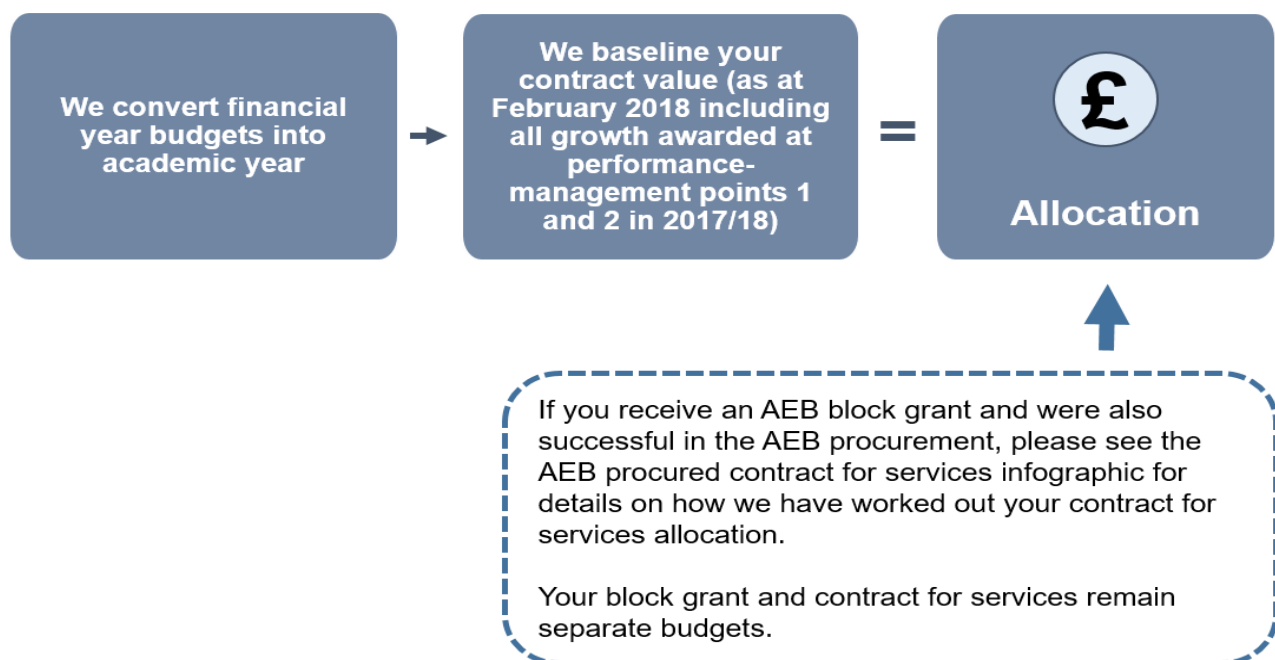
We have used nationally consistent methodologies to calculate allocations.

We will only apply increases to your contract values where you have successfully passed our track record criteria including 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.

Annex A: Allocation infographics

Adult education budget block grant

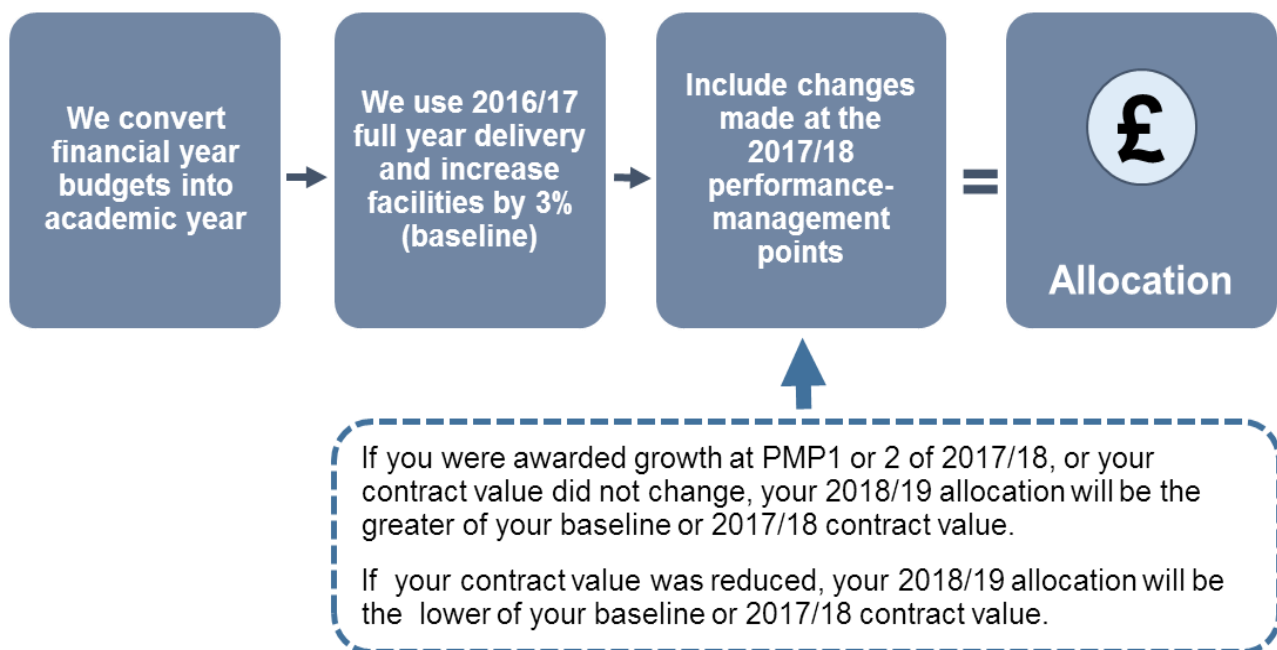




Adult education budget procured contract for services

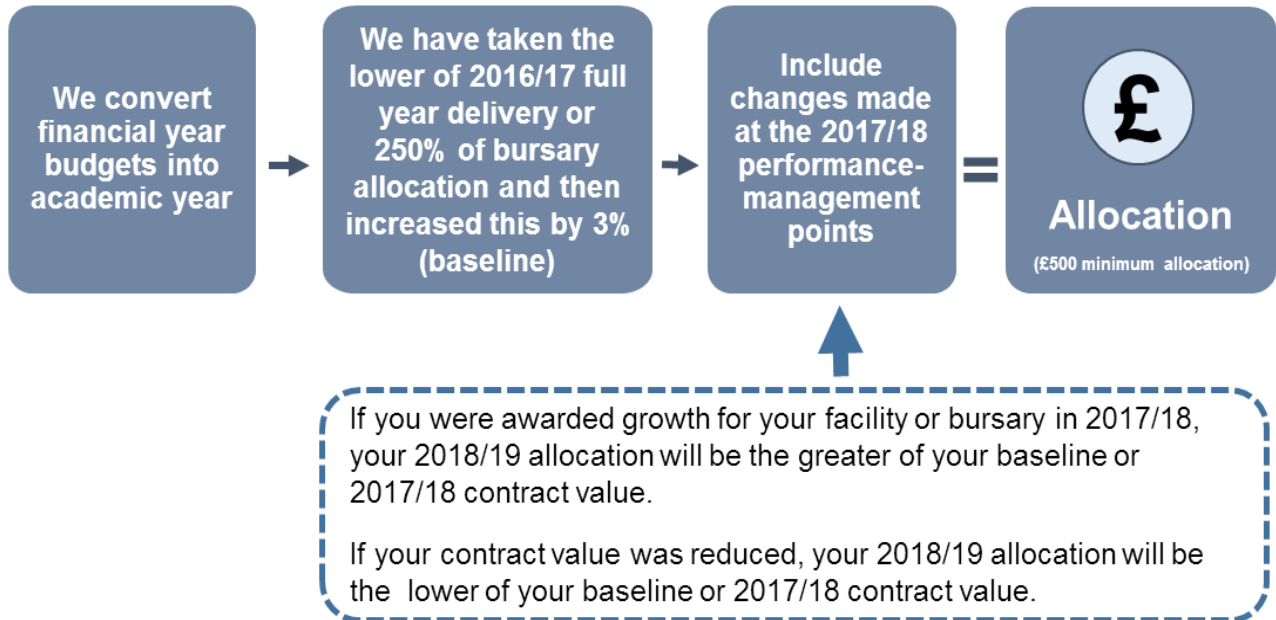


Advanced learner loan facility





Advanced learner loan bursary





UKPRN
12345678

Provider Name
Casterbridge College

Adult Education Budget

We have calculated your adult education budget block grant by taking your 2017 to 2018 contract value post performance management point 2 and rolling-it forward. Please refer to paragraphs on adult education budget and annex A in your covering letter for further information.

Baseline	£4,494,746	
2018 to 2019 allocation	£4,494,746	Total value of your 2018 to 2019 allocation
August 2018 to March 2019	£2,815,958	Value of your allocation to use from August 2018 to March 2019
April 2019 to July 2019	£1,678,788	Value of your allocation to use from April 2019 to July 2019
<i>2017 to 2018 allocation</i>	£4,494,746	This is your current 2017 to 2018 contract value, for information only

Adult Education Budget contract for service

We are converting your current 9-month contract into a 12-month contract and increasing its value accordingly. We have done this by taking your contract value as at February 2018 (including growth awarded at performance-management points 1 and 2 of 2017 to 2018) and adding the proportions of the standard national profile for August, September and October.

Baseline	£230,679	
2018 to 2019 allocation	£230,679	Total value of your 2018 to 2019 allocation
of which learner support	£2,176	
August 2018 to March 2019	£154,833	Value of your allocation to use from August 2018 to March 2019
April 2019 to July 2019	£75,846	Value of your allocation to use from April 2019 to July 2019
<i>2017 to 2018 allocation</i>	£182,361	This is your current 2017 to 2018 contract value, for information only

Advanced learner loan facility

We have set your baseline using your approved, attended and paid loan applications in 2016 to 2017. To calculate your allocation we have applied 3% increase and applied decisions made at performance management points. Please refer to paragraphs on advanced learner loan facility and annex A in your covering letter for further information.

Baseline	£260,710	
2018 to 2019 allocation	£441,116	Total value of your 2018 to 2019 facility
August 2018 to March 2019	£278,653	Value of your facility to use from August 2018 to March 2019
April 2019 to July 2019	£162,463	Value of your facility to use from April 2019 to July 2019
<i>2017 to 2018 allocation</i>	£441,116	This is your current 2017 to 2018 facility, for information only



Advanced learner loan bursary

We have set your baseline by calculating the lower of your full-year delivery in 2016 to 2017 or 250% of your 2016 to 2017 bursary allocation. To calculate your allocation we have applied 3% increase and applied decisions made at performance management points. Please refer to paragraphs on advanced learner loan bursary and annex A in your covering letter for further information.

Baseline	£123,970	
2018 to 2019 allocation	£127,689	Total value of your 2018 to 2019 bursary
August 2018 to March 2019	£80,661	Value of your bursary to use from August 2018 to March 2019
April 2019 to July 2019	£47,028	Value of your bursary to use from April 2019 to July 2019
<i>2017 to 2018 allocation</i>	£110,012	This is your current 2017 to 2018 bursary, for information only