

Guidance

EMCCA-funded Adult Skills Fund: Funding rates and formula 2025 to 2026

Applies to EMCCA residents

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Introduction and purpose of the document

1: This document sets out the principles and features of our funding system for the 2025 to 2026 funding year (1 August to 31 July) for East Midlands Combined County Authority (EMCCA) - funded adult skills fund (ASF) delivery. We may make changes to these principles and features during the funding year.

2: This document describes how we calculate 'formula-funded' earnings for EMCCA funded ASF and learning support. We define 'formula-funded' activity as that recorded under Funding Model 38 ('adult skills fund' for aims started on or after 1 August 2025).

3: Please note that EMCCA is not responsible for any aims (ASF or AEB) that started prior to 1 August 2025. All learning aims that started before 1 August 2025 and continue into the year 2025 to 2026 are funded by the DfE.

4: This document does not include or describe:

- the 'non-formula-funded' activity within EMCCA funded ASF which is reconciled through the funding claims process. This includes non-regulated learning recorded under Tailored Learning (Funding Model 11). For more information on funding claims and Tailored Learning, refer to the EMCCA funding rules.
- learners funded through an [advanced learner loan](https://www.gov.uk/guidance/24-advanced-learning-loans-an-overview) (<https://www.gov.uk/guidance/24-advanced-learning-loans-an-overview>). For more information on these, please refer to the [advanced learner loans funding rules](https://www.gov.uk/government/publications/advanced-learner-loans-funding-rules-2024-to-2025) (<https://www.gov.uk/government/publications/advanced-learner-loans-funding-rules-2024-to-2025>).
- apprenticeships. For more information on apprenticeships, refer to the [apprenticeship funding rules](https://www.gov.uk/education/apprenticeships-funding) (<https://www.gov.uk/education/apprenticeships-funding>) and the [apprenticeship technical funding guide](https://www.gov.uk/government/publications/apprenticeship-technical-funding-guide) (<https://www.gov.uk/government/publications/apprenticeship-technical-funding-guide>).
- Skills bootcamps. For more information on skills bootcamps refer to the [DfE Skills Bootcamps technical guide](https://www.gov.uk/government/publications/esfa-skills-bootcamps) (<https://www.gov.uk/government/publications/esfa-skills-bootcamps>).

5: To understand how our funding system works, read this document together with the:

- the EMCCA funding rules
- the EMCCA Individualised Learner Record Specification (ILR) and Coding (*limited to variations from the ESFA ILR Specification*)
- [ILR Specification \(https://guidance.submit-learner-data.service.gov.uk/\)](https://guidance.submit-learner-data.service.gov.uk/)
- [provider support manual \(https://guidance.submit-learner-data.service.gov.uk/provider-support-manual\)](https://guidance.submit-learner-data.service.gov.uk/provider-support-manual)

Understanding our terminology

6: The term ‘we’ or ‘us’ refers to the East Midlands Combined County Authority (EMCCA).

7: When we refer to ‘you’ or ‘learning organisations’, this includes colleges, higher education institutions, training organisations, local authorities and employers that receive funding from us to deliver education and training.

What’s new in funding rates and formula for 2025 to 2026?

8: All eligible free courses for jobs (FCFJ) learners, irrespective of age or when they started their learning, are now funded through your FCFJ funding lines.

9: The Prince’s Trust programme is now known as the [King’s Trust \(https://www.kingstrust.org.uk/about-us/qualifications\)](https://www.kingstrust.org.uk/about-us/qualifications). Note the qualification titles have now also changed. The funding rates for the qualifications and programmes remain the same as in 2024 to 2025.

10: We have renamed 'level 3 free courses for jobs' to 'free courses for jobs' offer because of the expansion of the offer to support providers to deliver more construction training. Please refer to EMCCA funding rules for more information.

The data we use to calculate funding

11: You give us information about learners and their learning using the [ILR](https://guidance.submit-learner-data.service.gov.uk/) (<https://guidance.submit-learner-data.service.gov.uk/>) and the [earnings adjustment statement](https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025) (<https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025>) (EAS). The DFE and the EMCCA funding system uses this information to work out the funding you have earned for delivering this learning.

The funding system features

12: The funding system has the following four features, which are set out in more detail throughout this document:

- **the funding formula**, including uplifts to the rates to account for the extra costs that you may experience when delivering learning to some types of learners and in some locations, or where there are skills shortages.
- **the funding rates** for learning aims and work placements.
- **the earnings method**, linked to delivery and achievement/completion.
- **support funding** where extra help is needed for learners to achieve.

The funding formula

Calculation

13: The funding formula is below which is unchanged from last year:

Funding = rate x disadvantage uplift x area cost uplift

14: The basis for funding is the rate for the learning aim

15: We adjust the funding formula to allow for geographical differences in the relative cost of delivery and to enable additional support for learners living in more disadvantaged areas. For further information see the [disadvantage uplift](#) and [area cost uplift](#) sections.

16: In some cases, we expect learners and employers to share responsibility for investing in eligible provision. We expect them to part-fund the cost of learning, known as co-funding. For more information on co-funding, refer to the 'government contribution charts' in the EMCCA funding rules.

Disadvantage uplift

17: The disadvantage uplift provides extra funding to support the most disadvantaged learners, recognising that they are sometimes more costly to recruit and retain. We apply this consistently across EMCCA 'formula-funded' adult skills fund provision.

18: To calculate the disadvantage uplift for new starts we use the latest IMD file available. This results in a funding increase for learners living in the most deprived areas of the country. We base the uplift on the learner's postcode (based upon the 'postcode prior to enrolment' [ILR \(https://guidance.submit-learner-data.service.gov.uk/25-26/ilr/entity/Learner/field/PostcodePrior\)](https://guidance.submit-learner-data.service.gov.uk/25-26/ilr/entity/Learner/field/PostcodePrior) field). If required the uplift factor is between 1.084 and 1.336, otherwise, we default the factor to 1.

19: The method we use to calculate disadvantage factors from the IMD value is as follows:

- IMD 2019 gives a value of relative deprivation for every lower layer super output area (LSOA) in England
- we apply the uplift to learners living in the 27% most deprived LSOAs
- The disadvantage uplift factor for the least deprived LSOA within that 27% is 1.084
- The disadvantage uplift factor for the most deprived LSOA is 1.336
- for LSOAs with IMD scores between those two points, we calculate disadvantage factors using a linear relationship within the 27% between the least deprived IMD score (28.324) and the most deprived IMD score (92.735), and their corresponding disadvantage factor values (1.084 and 1.336)
- for example, an increase of the IMD score value by 6.4411 (one tenth of the range from 27% to the most deprived) would correspond to an increase in disadvantage factor of 0.0252 (one tenth of the difference between 1.084 and 1.336)
- Once we have a disadvantage factor for an LSOA, we apply it to all postcodes within that LSOA, using postcode data published by the Office for National Statistics

20: The disadvantage uplift factor at the start of the learning aim will apply throughout the duration of the learning aim.

21: EMCCA has retained the disadvantage factors used by the DfE for ASF and FCFJ activity.

22: The disadvantage uplift factors are available at [uplift factors and postcode files](https://www.gov.uk/government/publications/uplift-factors-and-postcode-files) (<https://www.gov.uk/government/publications/uplift-factors-and-postcode-files>).

Area cost uplift

No area cost uplift is applicable to any region within EMCCA

Financial contributions

23: If a learner meets the criteria for full funding (refer to the 'Provision and individuals we fund' section of the EMCCA Funding rules for more information), you can claim the full rate for the qualification. For co-funded learners, we expect the learner or employer to contribute so we reduce the funding by 50% of the unweighted rate of the learning aim as shown in [find a learning aim \(FALA\)](https://submit-learner-data.service.gov.uk/find-a-learning-aim/) (<https://submit-learner-data.service.gov.uk/find-a-learning-aim/>).

24: We reduce the funding using the unweighted rate because a learner should not contribute more for the same size of the learning aim just because that learning aim is more costly to deliver. This means that EMCCA will contribute more towards learning aims with higher operational and delivery costs, such as engineering.

Recognition of prior learning

25: If you record data in the 'funding adjustment for prior learning' field on the [ILR](https://guidance.submit-learner-data.service.gov.uk/24-25/ilr/entity/LearningDelivery/field/PriorLearnFundAdj) (<https://guidance.submit-learner-data.service.gov.uk/24-25/ilr/entity/LearningDelivery/field/PriorLearnFundAdj>), we change the funding formula to reflect this. However, it does not change the fixed monthly learning support funding.

26: If the learning aim does not use the restart indicator, we reduce the achievement/completion funding, as well as the monthly instalments. This is because we assume the learner has earned some achievement/completion within the prior learning.

27: If the learning aim uses the restart indicator, we reduce the monthly instalments, but the achievement/completion funding stays at 20% of the full funding rate.

Other funding adjustments

28: **Where you have agreement with us** to adjust EMCCA funding upwards for other reasons apart from prior learning, you must record it in the 'other funding adjustment' field in the [ILR \(https://guidance.submit-learner-data.service.gov.uk/24-25/ilr/entity/LearningDelivery/field/OtherFundAdj\)](https://guidance.submit-learner-data.service.gov.uk/24-25/ilr/entity/LearningDelivery/field/OtherFundAdj). You must not use this ILR field for EMCCA upward revisions if you do not have an agreement in place with us and we will monitor its use. However, you can use this to reduce funding without our agreement.

29: The 'other funding adjustment' factor increases or decreases the funding for that learning, including the achievement/completion funding; however, it does not change learning support funding.

30: If there is also a factor for prior learning recorded, we multiply the 'funding adjustment for prior learning' factor by the 'other funding adjustment' factor and apply it to the appropriate funding.

Our funding rates

Principles

31: The list of regulated qualifications approved for public funding are on [FALA \(https://submit-learner-data.service.gov.uk/find-a-learning-aim/\)](https://submit-learner-data.service.gov.uk/find-a-learning-aim/), which we update regularly. For information about what is eligible for public funding, refer to [qualifications eligible for public funding \(https://www.gov.uk/government/publications/qualifications-getting-approval-for-funding\)](https://www.gov.uk/government/publications/qualifications-getting-approval-for-funding).

32: Because rates can change between academic years and during the year (because of policy change or changes to the learning aim), we fund each learning aim at the rate that applies when the learner starts that learning aim. This principle is the same for a new start in the current funding year and a continuing learner from previous years. This rate will apply for the full duration of the learning aim and does not change between funding years.

33: The amount you earn recognises the relative value and costs of delivering provision in different sectors and subjects, and we set the rates using the following criteria:

- funded guided learning hours (GLH)
- hourly rates that recognise the relative costs of delivering training in different sectors and subjects and provides a boost for training in those sectors identified as having greatest skills needs. Sector uplifts are based on the Sector Subject Area (SSA) that awarding organisations decide. The [Register of Regulated Qualifications \(http://register.ofqual.gov.uk/\)](http://register.ofqual.gov.uk/) and the [Quality Assurance Agency \(https://ava.accesstohe.ac.uk/SubSites/PublicSearch/search.aspx\)](https://ava.accesstohe.ac.uk/SubSites/PublicSearch/search.aspx) websites record the SSAs. Some components of qualifications can have multiple SSAs. Where this happens, we set the SSA.

34: We have some exceptions that do not use the criteria above. In these instances, we set rates for some policy areas and specific learning aims, such as work experience and HGV medical and certificates of competence.

35: We add an uplift to the rate for all learners on FCFJ, more details can be found from [paragraph 70](#).

36: We refer to rates as 'unweighted' when calculated using the base rate of £6.00 per hour. Once we have calculated the rate using the appropriate skills funding band, we refer to it as the 'weighted rate'. After we apply the uplifts, we refer to the 'aim value' (as noted in the 'main occupancy report'). For more information on funding reports, see the [funding reports section](#).

37: All rates shown on [FALA \(https://submit-learner-data.service.gov.uk/find-a-learning-aim/\)](https://submit-learner-data.service.gov.uk/find-a-learning-aim/) are fully funded rates for learners aged 19 and above. We adjust these rates through the funding formula according to our policy (for example, if the government contributes only part of the full rate).

38: All learners funded through the 16 to 19 Funding Model that turned 19 in their second or subsequent funding year of a single programme of study are funded through the 16 to 19 Funding Model.

39: Our rates do not change depending on how you deliver the learning (for example, by delivering it on-line compared to in the classroom). Where rates are based on GLH, the rate is always the funded GLH in FALA, regardless of how many hours you deliver the learning in. EMCCA reserves the right to alter this approach in future years.

Funding rates

40: We fund each GLH that is assigned to the qualification at an hourly rate, depending on the skills funding band assigned to the SSA of the qualification (see [table 1](#)). Each qualification is funded according to the specific GLH and SSA assigned to the qualification.

41: For 25/26, EMCCA will apply the same funding rates as those used by the DfE.

42: Funding rates for individual qualifications are determined by multiplying the relevant hourly rate for the SSA of the qualification by the number of GLH as assigned by the awarding organisation and recorded on Ofqual's register of regulated qualifications.

43: We use the GLH assigned by the awarding organisation and as recorded in Ofqual's register. Where an awarding organisation amends the GLH for a qualification on Ofqual's register, we may not automatically reflect this change in the associated funding rate. Therefore, there may be a difference between the GLH recorded on Ofqual's register and the GLH we are using for the funding rate.

44: FALA shows the funded GLH in addition to the Ofqual GLH, so it is clear where there is a difference.

45: The Quality Assurance Agency for Higher Education (QAA) regulates Access to Higher Education Diplomas. The GLH for these qualifications is set at 600 hours.

Skills funding bands

46: Each SSA at tier 2 level is assigned to one of the 5 funding bands, as shown in [table 1](#). The funding bands for each SSA tier 2 are set out in [annex 1](#).

47: We set all unweighted rates using the base rate of £6.00 per hour.

Table 1: adult skills funding rates by band

Adult skills funding band	Base	Low	Medium	High	Specialist
hourly adult skills funding rate	£6.00	£7.20	£8.40	£9.60	£12.00

48: Here is an example of how we set rates taking Learning aim reference 60008817 Diploma in Engineering with funded GLH of 360:

- the unweighted rate is calculated by multiplying the funded GLH of 360 by the base rate of £6.00 – this gives an unweighted funding rate of £2,160.
- the weighted rate is calculated by multiplying the funded GLH of 360 by £9.60 (which is the hourly adult skills funding rate for high funding band that engineering SSA is in). This gives a weighted funding rate of £3,456.

49: The following policy exceptions remain for these qualifications:

- English GCSEs are funded within the low funding band, rather than the base funding rate band. This means they get a funding rate of £864 in line with the GLH of 120 and in line with the funding rate for maths GCSE.
- functional skills in English entry level, level 1 and level 2 receive the current policy rate of £724.
- functional skills in maths entry level are funded at the policy rate of £941, and level 1 and level 2 at £724.
- we fund digital functional skills qualifications under a different SSA's funding band. We treat these as if they are in the digital technology (users) SSA from 2024 to 2025. This means the funding rate for digital

functional skills qualifications is £462 (the new hourly skills funding rate for digital technology (users) SSA is £8.40 and GLH for these qualifications is 55 hours).

50: If you offer English for Speakers of Other Languages (ESOL) qualifications, you may need to deliver additional learning to individual learners that incurs additional costs above the qualification rate. Where additional hours are required, you can record these on the ILR using the 'additional delivery hours' field, as detailed in the [ILR specification](https://guidance.submit-learner-data.service.gov.uk/) (<https://guidance.submit-learner-data.service.gov.uk/>) and the [provider support manual](https://guidance.submit-learner-data.service.gov.uk/provider-support-manual) (<https://guidance.submit-learner-data.service.gov.uk/provider-support-manual>).

51: The key steps for claiming top-up for an ESOL qualification that is planned to be delivered in 100 hours are:

- identify the funded GLH of the ESOL qualification through FALA. For example, learning aim reference 60140070 Level 2 Award in ESOL Skills for Life (reading) has funded GLH of 60 and a skills funding rate of £360.
- calculate the additional hours required. This is the 100 planned hours minus the funded GLH value of the ESOL qualification. In this example, the additional hours you need to record in the ILR are 100 minus 60 (40).
- the funding calculation automatically calculates the additional funding as $40 \times £6.00 = £240$.
- the overall rate is then the original rate (£360) plus the top-up amount (£240) which is £600.

Land-based qualifications

52: In adult provision, 3 SSAs include land-based qualifications:

- agriculture (SSA T2 3.1)
- horticulture and forestry (SSA T2 3.2)
- animal care and veterinary science (SSA T2 3.3)

53: Funding for relevant land-based technical qualifications have the specialist funding band applied where all the following are met. If all 3 criteria are not met the provision will not be deemed specialist and will have the high funding band applied:

- where providers have a 'specialist status' as set out in annex C of [DfE funding guidance for young people](#)

<https://www.gov.uk/government/publications/funding-rates-and-formula/funding-guidance-for-young-people-2024-to-2025-rates-and-formula#annex-c>).

- where the qualifications within the 3 land-based SSAs do not meet any of the exceptions in the next paragraph.
- where a specialist provider delivers a qualification at their land-based location that met specific and additional criteria within the 3 SSAs.

54: Specialist funding rate will apply to all technical level 2 and 3 qualifications, except for the following:

- qualifications where employment is a pre-requisite. This is because the training aspects requiring specialist equipment can take place on the employer's premises. Note that qualifications linked to occupational regulation and/or a certificate of competence are an exception to this and are funded at the specialist funding rate.
- qualifications within animal care and veterinary science SSA which are solely focused on domestic animal care.
- floristry qualifications within horticulture and forestry SSA as they do not require specialist provision.
- qualifications related to forest schools.
- qualifications related to garden design and planning.

Work placement for 19 to 24 year olds

55: We identify work placement learning aims through [FALA \(https://submit-learner-data.service.gov.uk/find-a-learning-aim/\)](https://submit-learner-data.service.gov.uk/find-a-learning-aim/) using category code '[Adult Skills Fund - Work Placement \(code 74\)](https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#adult-skills-fund---work-placement-code-74)' (<https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#adult-skills-fund---work-placement-code-74>).

56: The work placement hours referred to in the learning aim title represent the length of the placement. You should choose the learning aim reference with the appropriate hours for the work placement. Each rate is intended to reflect the administration and support costs associated with those hours.

57: The minimum total length of work placement we fund for a single learner is 70 hours.

58: The maximum total length of work placement(s) we fund for a single learner is 240 hours. For more information, please refer to the EMCCA funding rules..

59: The learning aims for work placement are shown in table 2 below:

Table 2: Adult skills funding rates by band

Learning aim reference	Learning aim title	Funding rate
Z0030000	Adult Skills Fund – Work Placement 70-80 hours	£450
Z0030001	Adult Skills Fund – Work Placement 81-160 hours	£724
Z0030002	Adult Skills Fund – Work Placement 161-240 hours	£1,265

60: For work placement aims, we do not hold back 20% of the rate for achievement/completion. Instead, we apportion all the funding for the aim as monthly instalments.

61: There are some additional funding eligibility criteria for work placement learning aims which are described in the EMCCA funding rules.

Free courses for jobs offer (previously known as level 3 free courses for jobs)

62: Additional funding is available through free courses for jobs ([FCFJ \(https://www.gov.uk/guidance/free-courses-for-jobs\)](https://www.gov.uk/guidance/free-courses-for-jobs)) for adults who meet the eligibility criteria and are studying a qualification from the list of approved FCFJ qualifications. Eligibility is described in detail in the EMCCA funding rules. We fund this learning as we fund other ASF delivery, with the following exceptions:

- learners eligible for this offer are fully funded for their FCFJ learning aim.
- we increase the weighted rate by £600 for eligible aims in [category code 45 \(https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#national-skills-fund-level-3-free-courses-for-jobs-rate-1-code-45\)](https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#national-skills-fund-level-3-free-courses-for-jobs-rate-1-code-45) ('free courses for jobs rate 1') or by £150 for eligible aims in [category code 46 \(https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#national-skills-fund-level-3-free-courses-for-jobs-rate-1-code-46\)](https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#national-skills-fund-level-3-free-courses-for-jobs-rate-1-code-46)

[lars-category-codes/learning-aims-reference-service-lars#national-skills-fund-level-3-free-courses-for-jobs-rate-2-code-46](#)) ('free courses for jobs rate 2').

- we increase the £150 or £600 by the area cost uplift and/or disadvantage uplift if applicable to that learning aim.

63: You should use the Learning Delivery and Monitoring (LDM) code 378 (free courses for jobs offer) for all FCFJ aims for both 19 to 23 and 24+ learners. This will ensure you earn funding for the £150 or £600 uplifts.

64: All learners irrespective of age are now funded through your FCFJ funding line. This applies to new starts in 2025 to 2026.

65: EMCCA has some limited flexibility to use their ASF FCFJ allocation to fund additional qualifications which are not part of the national offer. EMCCA has previously notified you about any qualifications where this flexibility applies. For these qualifications however, the funding calculation will not increase the weighted rate by £150 or £600.

King's Trust team programme (formerly known as the Prince's Trust)

66: The programme rate is the same as last year at £3,204. This programme rate is the same for both employed and unemployed learners.

67: You will earn the funding rate for the award or certificate in 'Employment, Teamwork and Community Skills'. The qualifications you can use are in table 3. You must also record the learners on the ILR using the LDM code 331.

Table 3: Qualifications for the programme 2025 to 2026.

Qualification Title	Learning Aim Reference
Certificate in Employment, Teamwork and Community Skills	60023995

Qualification Title	Learning Aim Reference
Certificate in Employment, Teamwork and Community Skills (Entry 3)	60027629
Award in Employment, Teamwork and Community Skills	60032121
Award in Employment, Teamwork and Community Skills	60032868
Award in Employment, Teamwork and Community Skills (Entry 3)	60033344
Certificate in Employment, Teamwork and Community Skills	60027307

68: If the funding rate is lower than the programme rate, you can claim additional funding from the qualification rate up to the value of the programme rate. To claim this additional funding, you must use the [EAS \(https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025\)](https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025) adjustment type called 'The Kings Trust'. We will monitor the amounts being claimed.

69: Table 4 shows the qualification funding rates, the maximum programme rate and the maximum additional funding you can claim where appropriate.

Table 4: The rates for the programme for starts on or after 1 August 2025.

	Award		Certificate	
	Fully-funded	Co-funded	Fully-funded	Co-funded
Funding rate for aim	£444	£222	£1,512	£756
Maximum programme cost for all learners	£3,204	£1,602	£3,204	£1,602
Maximum additional funding for all learners	£2,760	£1,380	£1,692	£846

HGV driver training

70: The level 2 learning aims that prepare learners for the HGV licence are Ofqual regulated qualifications. These are funded in the same way as other regulated learning aims and can be found on FALA with [category code 50](https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#list-of-category-codes) (<https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#list-of-category-codes>).

71: The HGV medical and certificates of professional competence (licence) have their own rates that allow eligible learners to be reimbursed for the cost. The HGV medical has [category code 51](https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#list-of-category-codes) (<https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#list-of-category-codes>). The certificates of professional competence (licence) have [category code 52](https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#list-of-category-codes) (<https://www.gov.uk/government/publications/learning-aims-reference-service-lars-category-codes/learning-aims-reference-service-lars#list-of-category-codes>).

72: The HGV medical and certificates of professional competence do not attract disadvantage or area cost uplifts and we do not hold back funding for achievement /completion.

Our earnings method

Principles

73: The following principles apply to our approach to your earnings:

- funding is distributed over the duration of the course, starting from the date the learner started.
- you earn funding for what you deliver, when you deliver it.
- funding is directly linked to achievement or completion depending on your type of contract and when the learning aim started.
- for aims funded through a **grant contract**, and started on or after 1 August 2025, funding is directly linked to the learner **completing** the learning aim or gaining employment.
- for all aims funded through a **procured contract**, funding is directly linked to the learner completing their learning aim and **achieving** the learning aim (or gaining employment for job outcomes).

Qualifying period for funding

74: If a learner is in learning for at least the qualifying period, we count them as a 'funding start'. We calculate this from the [ILR](https://guidance.submit-) (<https://guidance.submit->

learner-data.service.gov.uk/ 'learning start date'. The different qualifying periods are shown in table 5:

Table 5: The qualifying period for funding

Planned length of the learning aim	Qualifying period
168 days or more	42 days
14 to 167 days	14 days
Fewer than 14 days	1 day

75: We treat learners as having qualified until a learning actual end date is recorded, at which point we calculate the actual length of the learning aim.

76: If a learner achieves/completes their learning aim in a shorter period than the qualifying period, then we treat them as having qualified.

77: If a learner generates on-programme earnings for passing a census date, then in a subsequent ILR return you record a learning actual end date (without an achievement/completion outcome) that does not meet the qualifying period, we will recover the funding for that learning aim.

Distribution of funding over time

78: If you are grant-funded, then we will pay you an amount each month based upon the monthly profile in your contract and your allocation value. We then reconcile your funding after the final R14 ILR submission window using your earnings ('earnings' are what you have earned through the ILR and EAS submissions you send us). Therefore, for grant-funded providers, your month by month earnings that we calculate will not affect your monthly

payments. Rather, it is the overall earnings over the academic year that feed into the reconciliation process.

79: If you are funded through a procured contract, then we will pay you each month in arrears based upon your earnings through your ILR and EAS data. The amount we pay each month may not match your earnings because of capping or because you have an outstanding debt with us.

80: We calculate your earnings each month using the same process and system, regardless of the contract you have with us. We show you these figures through your Funding reports (see the Funding reports section for more information).

81: We base your earnings on monthly instalments plus an achievement/completion element. The achievement/completion element does not apply to HGV medicals, HGV certificates of competence or work placements.

82: We hold back 20% of the weighted rate for each learning aim, which we will only generate when the learner achieves/completes their learning aim. You earn all achievement/completion elements on the learning actual end date recorded on the ILR.

83: We calculate the monthly instalments once we have removed the achievement/completion element (20%). We spread out these instalments over the number of planned months for the learning aim, with a double payment in the first month. The instalment calculation uses the formula 'n+1', where 'n' is the number of planned months. The formula recognises the upfront costs associated with enrolling a learner on a learning aim.

84: You earn the instalments if the learner is in learning on each census date (the last calendar day of every month). The planned number of months is calculated from the 'learning start date' and the 'learning planned end date' in the [ILR \(https://guidance.submit-learner-data.service.gov.uk/\)](https://guidance.submit-learner-data.service.gov.uk/).

85: If the learner leaves early, the monthly instalments stop. However, for eligible learners, we will pay you a job outcome payment which will be half of the achievement/completion element. If the learner then goes on to achieve/complete the learning aim, you will earn the outstanding monthly instalments and the rest of the achievement/completion element. For more information on job outcomes, refer to the EMCCA funding rules.

86: If a learner leaves before the census date of the first month of learning and the aim has already passed the qualifying period for funding, you will earn the payment relating to this month.

87: Figures 1 and 2 show an example of the earnings method for a learner starting a course in September, with a planned end date in June, and completing/achieving in June. It shows how you earn funding for a course with a total cost of £1,000 over the period of learning: nine monthly on-programme payments (OPP) of £80, plus an additional monthly OPP of £80 in the first month and an achievement/completion payment of £200.

Figure 1: Example of the earnings methodology for aims starting on or after 1 August 2025 and funded from a grant-funded contract

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	Learning aim monthly instalments											
Instalments		OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	Completion element	
		OPP										
Example		£160	£80	£80	£80	£80	£80	£80	£80	£80	£200	

Figure 2: Example of the earnings methodology for all aims funded from a procured contract

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	Learning aim monthly instalments											
Instalments		OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	Achievement element	
		OPP										
Example		£160	£80	£80	£80	£80	£80	£80	£80	£80	£200	

Recording late data in the ILR

88: If a learner is continuing learning at the final R14 collection at the end of the year, but you record in the subsequent ILR year that they left before 1 August, you may have earned funding that you need to pay back.

89: For example, at R14 in the 2025 to 2026 ILR you record a learner as starting on 1 June 2026, having a planned end date after 31 July 2026 and their completion status is 'continuing'. In the 2026 to 2027 ILR you record them as having left on 18 July 2026. In this scenario, they will have earned monthly on-programme payments in June and July 2026 from the 2025 to 2026 ILR, therefore the July payment will need to be paid back. You should pay this funding back through the [EAS](https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025) (<https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025>) recording a negative figure in the 'Authorised claims' adjustment type. You do not need our permission to

make negative adjustments/repayments, only positive ones. However, please let us know the details behind the adjustments as described in [Financial assurance: monitoring post-16 funding](https://www.gov.uk/government/publications/financial-assurance-monitoring-post-16-funding/financial-assurance-monitoring-post-16-funding-for-2024-to-2025#frm27-continuing-or-completed-learning-aims-that-are-now-reported-as-withdrawn-on-or-before-31-july-of-the-previous-funding-year) (<https://www.gov.uk/government/publications/financial-assurance-monitoring-post-16-funding/financial-assurance-monitoring-post-16-funding-for-2024-to-2025#frm27-continuing-or-completed-learning-aims-that-are-now-reported-as-withdrawn-on-or-before-31-july-of-the-previous-funding-year>) .

90: For more information on recording late data in the ILR, please refer to the section: 'the impact of incomplete information' in the [ILR provider support manual](https://guidance.submit-learner-data.service.gov.uk/22-23/psm/article/sending-data-to-the-ESFA#article-The%20impact%20of%20incomplete%20information) (<https://guidance.submit-learner-data.service.gov.uk/22-23/psm/article/sending-data-to-the-ESFA#article-The%20impact%20of%20incomplete%20information>).

Support funding

Learning support

91: You can access this funding through the DfE funded adult skills fund, and you record this against a learner's learning aim in the [ILR](https://guidance.submit-learner-data.service.gov.uk/) (<https://guidance.submit-learner-data.service.gov.uk/>).

92: If you are claiming learning support for a learner who is studying an apprenticeship learning aim and a non-apprenticeship learning aim in the same month, we will attribute the funding to the appropriate apprenticeships budget.

93: If you record learning support against a learning aim in the ILR, you will earn a fixed monthly rate of £150. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of providing support to a learner exceeds the total earned from the fixed monthly rate, you can claim this excess through the [EAS](https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025) (<https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025>).

94: For learning aims with a planned length of less than one calendar month, we have changed our funding calculation so that, in most cases, you should no longer need to use the EAS to claim the learning support. However, if you see that this funding has not been reflected in your funding reports, and we expect this to be in exceptional cases only, then please claim the learning support through the EAS.

95: If learning support is more than £19,000, you can claim exceptional learning support above £19,000 using the [cost form](https://www.gov.uk/government/publications/exceptional-learning-support-cost-form) (<https://www.gov.uk/government/publications/exceptional-learning-support-cost-form>); you do not claim the amount above £19,000 through the [EAS](https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025) (<https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025>). The EAS can only be used for claiming the amount up to £19,000 (subtracting what you may have earned through the ILR). For more information, refer to the [DfE funded adult skills fund: funding rules](https://www.gov.uk/government/publications/adult-skills-fund-funding-rules) ([https://www.gov.uk/government/publications/adult-skills-fund-funding-rules-for-2024-to-2025](https://www.gov.uk/government/publications/adult-skills-fund-funding-rules)).

Learner support

96: Learner support is available to provide financial support for learners with a specific financial hardship preventing them from taking part, or continuing, in learning.

97: Learner support is not formula-funded so you cannot claim it through the ILR. How you claim learner support depends on the contract type the learner requiring support is funded under:

- if the learner support relates to learning delivered under a grant-funded contract, you must complete a mid-year funding forecast, a year-end and final funding claim to receive funding for learner support.
- if the learner support relates to learning delivered under a procured AEB contract, you must claim the support through the EAS.

98: For further information, please see the [EAS](https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025/earnings-adjustment-statement-eas-guidance-2024-to-2025) (<https://www.gov.uk/government/publications/how-to-submit-your-earnings-adjustment-statement-2024-to-2025/earnings-adjustment-statement-eas-guidance-2024-to-2025>) and [funding claims guidance](https://www.gov.uk/government/publications/sfa-funding-claims) (<https://www.gov.uk/government/publications/sfa-funding-claims>).

Procured EMCCA funded ASF provision

99: If you have a contract with us, **you must assign Devolved Area Monitoring code (DAM) code 002** to each ASF or FCFJ learning aim. Failure to record this code correctly may result in ILR errors or no payments.

100: Table 6 below shows the LDMs/DAMs you should use to indicate which contract you wish to use to pay for different types of adult delivery, and when they are valid.

Table 6: LDM and DAM codes for recording the contract

Type of Learning	All learning aims
ASF non-procured (Grant)	No codes required
ASF procured	DAM 002
Non-procured provision within FCFJ (Grant)	LDM 378
Procured provision within FCFJ	LDM 378 and DAM 002

Funding reports

101: The DfE will continue to provide funding reports to show you what funding they have calculated for you. These will range from headline funding reports, to detailed reports at learner and learning aim level, like the funding summary reports and occupancy reports provided last year. The DfE will publish more detailed guidance in the [funding reports guidance](https://www.gov.uk/government/publications/check-ilr-reports-for-possible-data-errors-in-your-return) (<https://www.gov.uk/government/publications/check-ilr-reports-for-possible-data-errors-in-your-return>).

102: You will receive a set of reports when you submit your ILR data that will indicate how much you have earned. There will be two main reports for formula-funded adult skills fund provision that we fund:

- occupancy report – this report gives the most detailed information at learner and learning aim level
- funding summary report – this report gives you the aggregated information by month and for each funding line type (subcategories within the budget)

Annex 1: List of SSAs with adult skills funding bands and hourly rates

1: Health, public services and care

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
1.1	Medicine and dentistry	Medium	£8.40
1.2	Nursing and subjects and vocations allied to medicine	Medium	£8.40
1.3	Health and social care	Medium	£8.40
1.4	Public services	Low	£7.20
1.5	Child development and wellbeing	Low	£7.20

2: Science and mathematics

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
2.1	Science	Medium	£8.40
2.2	Mathematics and statistics	Low	£7.20

3: Agriculture, horticulture and animal care

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
3.1	Agriculture	Specialist/High	£12.00/£9.60
3.2	Horticulture and forestry	Specialist/High	£12.00/£9.60
3.3	Animal care and veterinary science	Specialist/High	£12.00/£9.60
3.4	Environmental conservation	Medium	£8.40

4: Engineering and manufacturing technologies

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
4.1	Engineering	High	£9.60
4.2	Manufacturing technologies	High	£9.60
4.3	Transportation operations and maintenance	High	£9.60

5: Construction, planning and the built environment

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
5.1	Architecture	Medium	£8.40
5.2	Building and construction	High	£9.60

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
5.3	Urban, rural and regional planning	Medium	£8.40

6: Digital technology

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
6.1	Digital technology (practitioners)	Medium	£8.40
6.2	Digital technology (users)	Medium	£8.40

7: Retail and commercial enterprise

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
7.1	Retailing and wholesaling	Low	£7.20
7.2	Warehousing and distribution	Low	£7.20
7.3	Service enterprises	Low	£7,20
7.4	Hospitality and catering	Medium	£8,40

8: Leisure, travel and tourism

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
8.1	Sport, leisure and recreation	Low	£7.20
8.2	Travel and tourism	Base	£6.00

9: Arts, media and publishing

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
9.1	Performing arts	Low	£7.20
9.2	Crafts, creative arts and design	Medium	£8.40
9.3	Media and communication	Low	£7.20
9.4	Publishing and information services	Low	£7.20

10: History, philosophy and theology

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
10.1	History	Base	£6.00
10.2	Archaeology and archaeological sciences	Low	£7.20
10.3	Philosophy	Base	£6.00
10.4	Theology and religious studies	Base	£6.00

11: Social sciences

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
11.1	Geography	Low	£7.20
11.2	Sociology and social policy	Base	£6.00
11.3	Politics	Base	£6.00
11.4	Economics	Base	£6.00
11.5	Anthropology	Base	£6.00

12: Languages, literature and culture

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
12.1	Languages, literature and culture of the British Isles	Base	£6.00
12.2	Other languages, literature and culture	Base	£6.00
12.3	Linguistics	Base	£6.00

13: Education and training

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
13.1	Teaching and lecturing	Low	£7.20

13.2	Direct learning support	Low	£7.20
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14: Preparation for life and work

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
14.1	Foundations for learning and life	Base	£6.00
14.2	Preparation for work	Base	£6.00

15: Business, administration and law

SSA tier 2	SSA tier 2 description	Skills funding band	Hourly skills funding rate
15.1	Accounting and finance	Low	£7.20
15.2	Administration	Base	£6.00
15.3	Business management	Low	£7.20
15.4	Marketing and sales	Base	£6.00
15.5	Law and legal services	Base	£6.00

Annex 2: Recording EMCCA funded ASF funding – grant-funded provision

The tables below are a simple guide on how each element of funding is claimed and recorded under each of the ILR funding models.

Qualifications, units of qualifications, work placements, HGV medicals and HGV certificates of competence

Funding model	38 – adult skills fund (starts from 1 August 2025)
Qualification/learning aim	Uses adult skills fund rate, if FCFJ adds on the £150/£600 uplift, and holds back 20% for completion*
Learning support	£150 per month for each month required as recorded on ILR
Learner support	Include in learner support claim
Excess learning support	Record on EAS
King's Trust additional funding	Record on EAS
Authorised claims	Record on EAS
Exceptional learning support	Claim any funding above the £19,000 on the cost form

* 20% not held back for work placements, HGV medicals or HGV certificates of competence.

Non-regulated learning aims (excluding work placements, HGV medicals and HGV certificates of competence)

Funding model	11 – tailored learning (starts from 1 August 2025)
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Qualification/learning aim	Include in tailored learning claim
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Learning support	Include in tailored learning claim
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Learner support	Include in tailored learning claim
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Excess learning support	Include in tailored learning claim
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King's Trust additional funding	Not applicable
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Authorised claims	Not applicable
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Exceptional learning support	Not applicable
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Annex 3: Recording EMCCA funded ASF funding – procured provision

The tables below are a simple guide on how each element of funding is claimed and recorded under each of the ILR funding models.

Qualifications, units of qualifications, work placements, HGV medicals and HGV certificates of competence

Funding model	38 – adult skills fund (starts from 1 August 2025)
Qualification/learning aim	Uses adult skills fund rate (based on GLH and SSA) if FCFJ adds on the £150/£600 uplift, and holds back 20% for achievement*
Learning support	£150 per month for each month required as recorded on ILR
Learner support	Record on EAS
Excess learning support	Record on EAS
King's Trust additional funding	Record on EAS
Authorised claims	Record on EAS
Exceptional learning support	Claim any funding above the £19,000 on the cost form

* 20% not held back for work placements, HGV medicals or HGV certificates of competence

Non regulated learning aims (excluding work placements, HGV medicals and HGV certificates of competence)

Funding model	11 – tailored learning (starts from 1 August 2025)
Qualification/learning aim	N/A
Learning support	N/A
Learner support	N/A
Excess learning support	N/A
King's Trust additional funding	N/A
Authorised claims	N/A
Exceptional learning support	N/A

