Improving the cost effectiveness of ESOL programmes

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What this presentation will cover

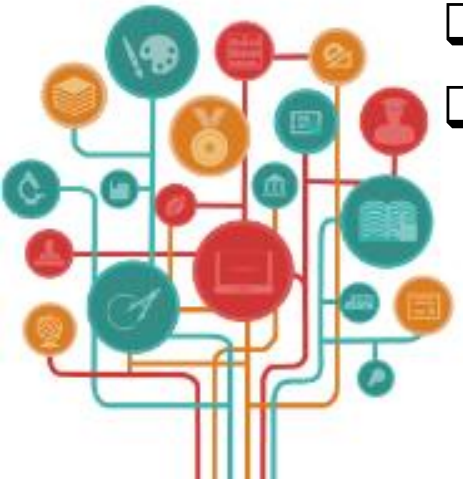
- ❑Main elements of the funding formulae for young people and adult applied to ESOL provision
- ❑Implications for the planning, costing and delivery of ESOL provision
- ❑Improving the efficiency and effectiveness of delivery models
- ❑Local devolution and commissioning of the AEB and implications for ESOL providers
- ❑Implications of the additional funds for ESOL in the Spending Review
- ❑Meeting the expectations of the new inspection framework

Funding Streams for ESOL

- Education and Skills Funding Agency (young people)
  - 16-19 year olds (classroom based) and 19 up to 25 year olds with EHCP
  - Study programmes must include appropriate English or ESOL and maths qualifications
- Education and Skills Funding Agency (adults)
  - Adult Education Budget for 19+ year olds (classroom based)
  - 50% fee assumption for most adult learners
  - English and maths are part of the fully funded entitlement
  - ESF match funding
- Ministry of Housing, Communities and Local Government
  - Community-based ESOL provision
  - Integration Areas Programme for pre-entry and entry level 1
  - £6 million initially, additional £10 million in Spending Review of September 2019
- Other funds
  - E.g. ESOL funding for Syrian refugees

ESOL in 16-19 study programmes

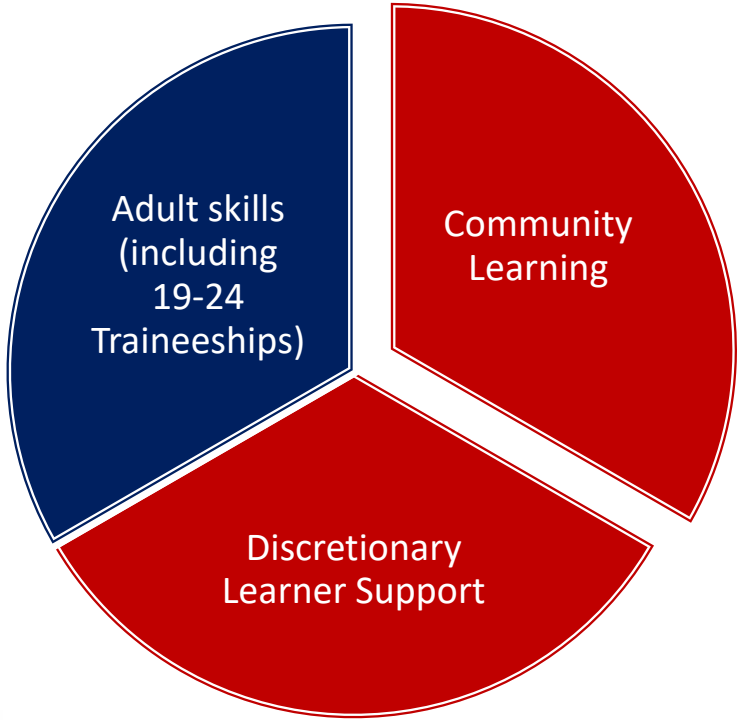
- Holistic approach to funding the young person based on total planned hours
- Study programme must include core learning aim(s), tutorial, work placement, English and/or maths
- £4188 for 16 and 17 year old students on programmes of 540 and more hours before uplifts from August 2020
- Disadvantage funding for low cost learning support
- High needs students receive top-up funding from local authority
- ESOL can be core learning aim or replace English requirement for some students



Making the most of AEB funding

- ❑ Legal entitlements
  - ❑ First level 2 and 3
  - ❑ English and maths
  - ❑ Unemployed and low paid adults
- ❑ Local flexibilities
  - ❑ Entry and level 1 for progression to level 2
  - ❑ Retraining and upskilling at level 2
- ❑ Non-regulated learning
  - ❑ First steps learning
  - ❑ Those furthest away from education or employment
- ❑ Learning in the workplace
  - ❑ Your own workforce
  - ❑ Other employers and employees
- ❑ Setting fee levels for co-funded learners that maximise revenue
- ❑ Making the most of non-formula funded community learning
- ❑ **Making the most of devolved AEB arrangements**

How the AEB is made up



- Formula funded - based on the funding formula underpinned by information on the ILR
- Non-formula funded – based on funding claims during the year and year end
- **ESOL delivered through Community Learning provides opportunities for a range of flexibilities, including non regulated learning**

Adult Education Budget (AEB)

- Principle purpose is to engage adults and provide them with the skills and learning needed for work, an apprenticeship or further learning
- Enables adults to achieve qualifications as well as tailored programmes of learning, which do not need to include qualifications, to help those furthest from learning or employment
- Funds broader types of learning activities rather than qualifications, e.g. preparation for life, adult re-engagement, independent living, employability skills
- Providers have the freedom and flexibility to deliver programmes of learning that can include a range of activities which may, or may not include, qualifications
- **Supporting people to learn English is a priority**
- Range of qualifications from entry 1 up to level 2 and non-regulated provision

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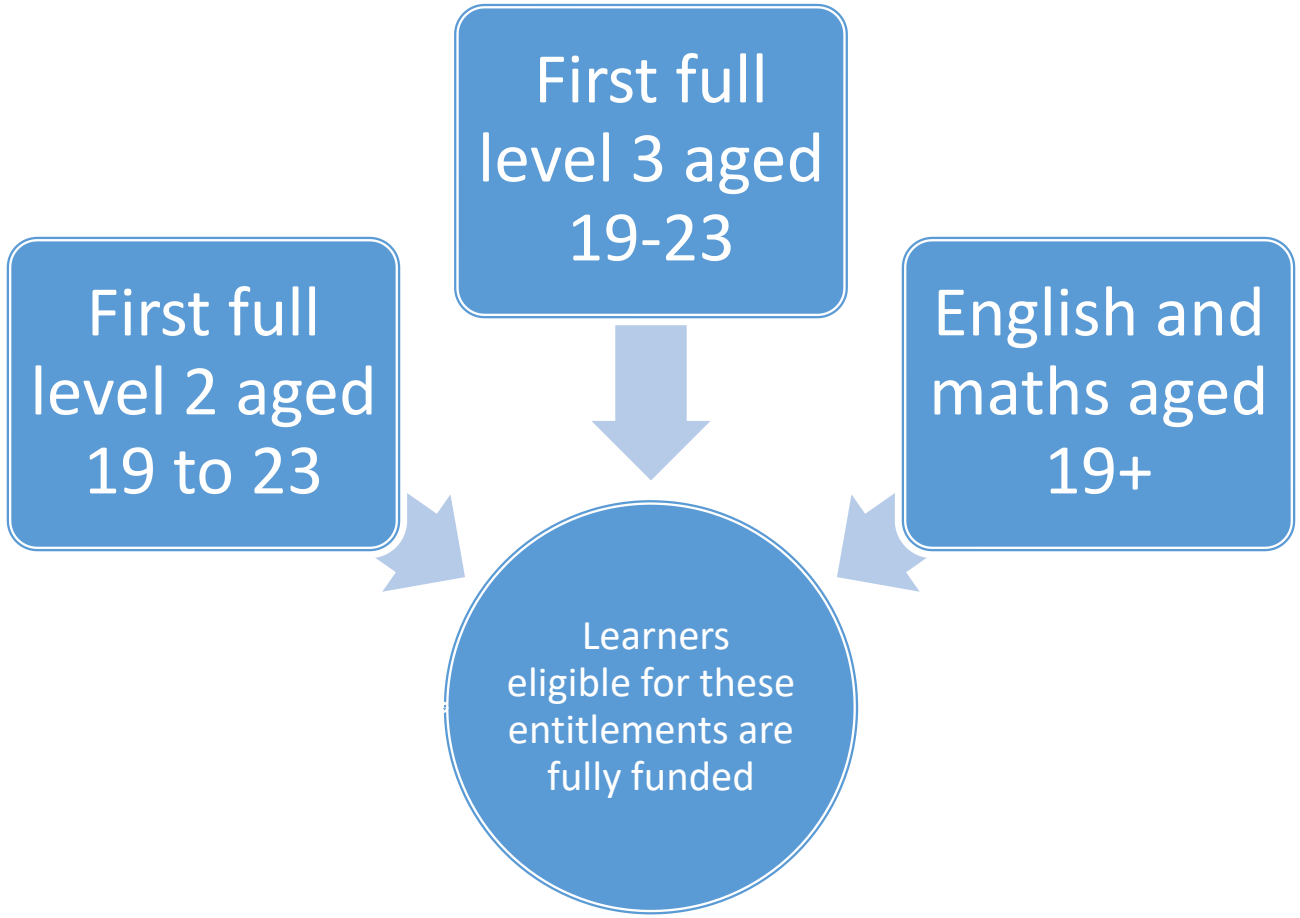
Adult Education Budget (AEB)

- For the legal entitlements to a first full Level 2 or 3 for 19- to 23-year-olds, or English and maths entitlements for learners aged 19 or older, providers must deliver the qualifications listed in the table of qualifications for entitlement (**updated on the Hub**)
- ESFA will fully fund 19 to 23 year olds on the day they start the following learning: provision, up to and including level 2 for those who already have a full level 2, **if they are unemployed** (otherwise co-funded)
- ESFA will fully fund learners aged 24 or over on the day they start learning, up to and including notional level 2, **if they are unemployed** (otherwise co-funded)
- New!!! Adults who are employed on low wages and cannot contribute towards the cost of co-funding fees are fully funded in 2019 to 2020
  - Less than £16,009.50 annual gross salary
  - Boost for the low paid and ESOL learners
  - Increases level of ESFA funding per learner (previously co-funded)
  - More in Greater London Authority

Legal entitlements



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

Provision	19- to 23-year-olds	24+ unemployed	24+ other
English and maths, up to and including level 2 (Must be delivered as part of the legal entitlement)	Fully funded*	Fully funded*	Fully funded*
Level 2 (excluding English and maths) (First full level 2 must be delivered as part of the legal entitlement)	Fully funded* (first and full)	Fully Funded	Co-funded+
Learning to progress to level 2	Fully funded^ (up to and including level 1)	Fully funded	Co-funded+
Level 3 (First full level 3 must be delivered as part of the legal entitlement)	Fully funded* (first and full)	Loan-funded	Loan-funded
	Loan-funded** (previously achieved full level 3 or above)		
Traineeship#	Fully funded (including 16- to 24-year-olds##)	N/A	N/A
English for speakers of other languages (ESOL) learning up to and including level 2	Co-funded+	Fully funded	Co-funded+
	Fully funded – unemployed		
Learning aims up to and including level 2, where the learner has already achieved a first full level 2, or above	Co-funded+	Fully funded	Co-funded+
	Fully funded – unemployed		
Learning aims up to and including level 2, where the learner has not achieved a first full level 2, or above	N/A	Fully Funded	Co-funded+

*Must be delivered as one of the English and maths, and/or first full level 2 or first full level 3 qualifications required as part of the legal entitlements.

^Must be delivered as entry or level one provision from local flexibility.

Excludes flexible element where funding depends on age and level.

16- to 18-year-old learners must be eligible under the ESFA's young people's residency requirements.

** Availability of loans at level 3 does not replace the legal entitlement to full funding for learners aged 19 to 23 undertaking their first full level 3.

+ Low wage flexibility may apply, refer to paragraph 152.

ESOL in the AEB 2019 to 2020

182. We will fully fund individuals aged 19 and over on the day they start their ESOL learning aim where they are unemployed, set out in paragraphs 150 and 151.
183. We will co-fund all other individuals aged 19 and over on the day they start their ESOL learning aim. Where learners are employed, the low wage flexibility may apply, please refer to paragraphs 152 to 154.
184. 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 adult education budget: funding rates and formula 2019 to 2020 guidance.

ESFA definition of unemployed

Learners are defined as unemployed if at least one of the following applies to them:

- ❑ They receive Jobseekers Allowance
- ❑ They receive Employment and Support Allowance
- ❑ They receive Universal Credit and earn below the earnings thresholds
- ❑ They are released on temporary licence, studying outside a prison environment, and not funded by the Ministry of Justice

Providers may at their discretion decide to fully fund eligible learners who are in receipt of other state benefits and have earnings below a set threshold. In addition, the learner must be seeking employment or to progress into more sustainable employment, and the learning must be directly relevant to their employment prospects and local labour market needs.

Learners in receipt of low wage

What have you done to promote this offer to the low paid?
What has been impact of this change so far?

152. 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:

- 152.1. eligible for co-funding, and
- 152.2. earns less than £16,009.50 annual gross salary

153. 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.

154. You must use LDM code 363 and FFI code 1 to claim full funding for learners who meet the requirements set out in paragraph 152.

Local flexibility opportunities for providers

- Bespoke locally designed learning, that can include both qualifications and non-regulated learning to support
  - Progression to full level 2
  - Retraining/upskilling for learners already in receipt of level 2 or above
- Qualifications and units of qualifications which are specified on the Hub, including ESOL
- Non-regulated learning, where robust and appropriate quality assurance is in place, i.e. RARPA (Recognising and Recording Progress and Achievement)

Local flexibility

From 1 August 2017, learners aged 19-23 progressing to their first level 2 can only undertake learning at entry and level 1 from local flexibility

Learners eligible for local flexibility are either fully or co-funded

Can be used alongside the legal entitlements, e.g. functional skill in maths plus ESOL

Non-regulated learning and/or qualifications and units at entry, level 1 and 2

Aged 19+

Non-regulated learning for adults

Non-regulated learning could include:

- ❑independent living skills or engagement learning supporting adults to operate confidently and effectively in life and work
- ❑locally-commissioned and/or locally-developed basic knowledge and skills needed to access technical qualifications
- ❑employability and labour market re-entry
- ❑locally-commissioned and/or locally-devised technical education short courses (also known as taster sessions)
- ❑community learning courses

AEB funding formula

The Adult Education Budget gives colleges and other training organisations more flexibility to respond to the needs of their local area. This enables the funding of programmes that really make a difference by including locally designed learning activity alongside qualifications, or instead of them.

The Single Activity Matrix enables colleges and other training organisations to calculate and claim funding for qualifications and other learning activity that is not qualification based.

Activity that is not a regulated qualification uses generic learning aims called ‘class codes’. You can download the class codes to be used to record non-regulated provision in the ILR for 2019-20’.

Adult Funding Formula

Funding £

=

Rate £

X

Disadvantage Uplift (postal codes)

X

Area Cost Uplift (*delivery location)

Adult Funding Formula

- Existing rates retained for learning aims funded in the previous funding year
- For learning aims not funded in the previous year, regulated Guided Learning Hours, Total Qualification Time or planned hours are grouped into funding bands in the Single Activity Matrix (SAM) to generate a funding rate
- 'Activity hours' banding in the SAM for very small provision
- ESOL weighted at base rate
- Other elements of the formula are unchanged
  - IMD 2015 for disadvantage uplift
- Earnings methodology retained – 80% and 20%
- Assumed fee is 50% of unweighted rate for co-funded ESOL learners

Table 1: The single activity matrix for 2019 to 2020.

Funding band – hours	Activity type	Programme weighting (PW)				
		A – Base (unweighted)	B – Low	C – Medium	D – High	E or G* (specialist)
Up to 2	Very small provision (1)	£14	£16	£18	£22	£24
3 to 4	Very small provision (2)	£21	£24	£27	£34	£36
5 to 6	Very small provision (3)	£35	£39	£46	£56	£60
7 to 12	Small provision (1)	£50	£56	£65	£80	£86
13 to 20	Small provision (2)	£100	£112	£130	£160	£172
21 to 44	Small provision (3)	£150	£168	£195	£240	£258
45 to 68	Medium provision (1)	£300	£336	£390	£480	£516
69 to 92	Medium provision (2)	£450	£504	£585	£720	£774
93 to 100	Medium provision (3)	£600	£672	£780	£960	£1,032
101 to 196	Large provision (1)	£724	£811	£941	£1,159	£1,246
197 to 292	Large provision (2)	£1,265	£1,417	£1,645	£2,025	£2,176
293 to 388	Large provision (3)	£1,987	£2,225	£2,583	£3,179	£3,417
389 to 580	Very large provision (1)	£2,573	£2,882	£3,345	£4,117	£4,425
581 to 1060	Very large provision (2)	£4,170	£4,670	£5,421	£6,671	£7,172
1061 or more	Very large provision (3)	£6,602	£7,395	£8,583	£10,564	£11,356

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Table 2: The exceptions to the single activity matrix for 2019 to 2020.

Qualification type	Programme weighting (PW)				
	A – Base (unweighted)	B – Low	C – Medium	D – High	E or G* (specialist)
GCE AS-level	£724	£811	£941	£1,159	-
GCE A-level	£1,987	£2,225	£2,583	£3,179	-
GCSE	£724	£811	£941	£1,159	-
GCSE short course	£300	£336	£390	£480	-
Functional skills in English or maths	£724	-	£941	-	-
Functional skills in IT	-	£336	-	-	-
Access to Higher Education	£3,022	£3,384	£3,928	£4,835	£5,197

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Example of Certificate in ESOL

Qualification	Credits	Full funding rate £	Co-funding rate £
Award in ESOL Speaking and Listening	12	600	300
Award in ESOL Reading	6	300	150
Award in ESOL Writing	9	450	225
Certificate in ESOL	27	1265	632.50

ESOL as an exception

49. 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 and the Provider Support Manual.

ILR provider support manual

4.7.12 Additional delivery hours

299. This field records the additional hours delivered for Adult skills funded and ESF funded ESOL units or qualifications where a learner needs additional learning to that funded through the applicable matrix rate.

300. The Additional delivery hours field may be used for approved ESOL units or qualifications and must not be used for non-regulated ESOL or any other ESOL qualifications.

301. For ESOL learning aims which start before 1 August 2015, the Additional delivery hours must not be returned.

Example

The learning aim being delivered is an ESOL Skills for Life. This has a matrix rate of £600. The aim is being delivered in a total of 150 guided learning hours.

The matrix rate of £600 maps to the activity type 'Medium provision (3)', highlighted below:

Funding band – hours	Activity type	Programme weighting (PW)				
		A – Base (unweighted)	B – Low	C – Medium	D – High	E or G* (specialist)
Up to 2	Very small provision (1)	£14	£16	£18	£22	£24
3 to 4	Very small provision (2)	£21	£24	£27	£34	£36
5 to 6	Very small provision (3)	£35	£39	£46	£56	£60
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93 to 100	Medium provision (3)	£600	£672	£780	£960	£1,032
101 to 196	Large provision (1)	£724	£811	£941	£1,159	£1,246

The maximum GLH for this band is 100 hours. The difference between the total GLH being delivered for the qualification and the maximum GLH for the aim's funding band is 150 – 100 = 50 GLH.

The value of 50 is therefore recorded in the Additional delivery hours field and will generate an additional £300 for the delivery of this learning aim (based on the funding band for 50 hours in the funding rates document)

The total funding for this aim is: £600 + £300 = £900

Example

NB There is only one qualification

	Learning aim code	£
Entry level 3 award in speaking and listening	60142686	600
Additional qualification 45 to 68 hrs	Z0004309	300
Total Funding		900

Earnings methodology

- Funding earned by a college or training provider will consist of ‘on programme’ and ‘achievement ‘ elements – 80%/20%
- ‘n + 1’ methodology supports less than one month and multiple year delivery
- Payment of allocation on profile to **colleges** with year-end reconciliation
- Payment of allocation on actuals to **training providers**, with balancing payments in month after data received
- Funding cap per learner at £4400 per year (unweighted)

Earnings for entry level 3 award in speaking and listening (fully funded example) at £900

- On-programme funding = funding rate x 80%

Month	1	2	3	4	5	6	7	
£	180	90	90	90	90	90	90	720

- 20% of funding rate is then earned on achievement = £180

Funding for Adult Learning Support

- ESFA funds learners with learning difficulties or disabilities as set out in the Apprenticeships, Skills, Children and Learning Act 2009. They will fund learning and provision for individuals who are:
  - aged 19 and over, and under 25, who are **not subject** to an EHC plan, or
  - aged 25 and over
  - available to all learners funded by AEB including basic skills and ESOL

- **Fixed monthly rate of £150 per learner**
- Excess Learning Support still available where required but must be **evidenced**
- Excess Learning Support claimed through Earnings Adjustment Statement **(EAS)**

What kinds of support needs have you identified for ESOL learners?

Planning and delivering ESOL

- ❑Actual hours to deliver the learning aim – maximising regulated plus non-regulated hours
- ❑Mixed economy of fully funded and fee paying learners – actual fee levels
- ❑Seeing AEB as a continuous flow of activity, **e.g. balancing carry-in and new learners**
- ❑Different start points over the year to reflect patterns of demand
- ❑Improvements in retention and achievement
- ❑**Average group size for breakeven or contribution target**
- ❑Effective use of learning support
- ❑Embedding into vocational programmes

Cost effective speaking and listening entry 3?

No of starters	Retained	Withdrawn (after month 3)	Achieved	Total earned
15	12 @ £720 = £8640	3 @ £360 = £1080	11 @ £180 = £1980	£11700
Total teaching hours	**Hourly rate**	**Total teaching cost**	**Contribution**	**Contribution rate**
150	£50	£7500	£4200	36%

What difference to funding and performance would have one more successful completion made?

ESOL and Vocational Programmes

- ESOL provision as part of the employability agenda, e.g. **Progression for ESOL award or certificate at entry 3 including employability, personal development and digital skills**
- Align with LEP or Combined Authority priorities, e.g. growth sectors, self employment, social inclusion
- Vocational qualifications are fully funded for 19-23 year old learners without first full levels 2 and 3, and also unemployed learners aged 24 and over
- ESOL can be a key element in 16-24 year old Traineeships
- Provide opportunity for innovative curriculum design and delivery

The Government's view on devolution of the AEB

- Government's view is that AEB should fund local services to support local labour market conditions and future economic and social development.
- Fully devolved authorities will be responsible for Adult Education funding, policy and provision, with an increased focus on local responsiveness and flexibility.
- Funding policy, and the balance and mix of provision will be shaped by the economic and educational needs of residents and employers, rather than being supply-side driven by providers.

AEB devolved or delegated in 2019 to 2020 to

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

The combined authorities will take on responsibility for the AEB to make sure learners, aged 19 and over, eligible for funding from that budget, who reside in their areas, have appropriate education and training.

Implications of devolution for providers

- ❑ Understanding the allocation mechanism for AEB in 2019 to 2020, even if you are outside of a devolved area
- ❑ Local strategic skills plans set out the broad outcomes that the skills system needs to achieve, e.g. what priorities are identified for English and maths, ESOL and digital skills?
- ❑ Devolution may lead to new funding arrangements in terms of rates and payment mechanisms in the future, e.g**. variations from the national rates or rules for ESOL provision**, or different earnings methodologies
- ❑ What constitutes the national entitlements will still be the responsibility of the DfE

From the 2019 to 2020 academic year, the AEB will be apportioned into devolved and non-devolved budgets. Ministers have agreed the methodology for calculating the devolved and non-devolved AEB budget shares. Each combined authority and GLA will receive its own budget and ESFA will have a non-devolved budget.

Benefits from devolution 1

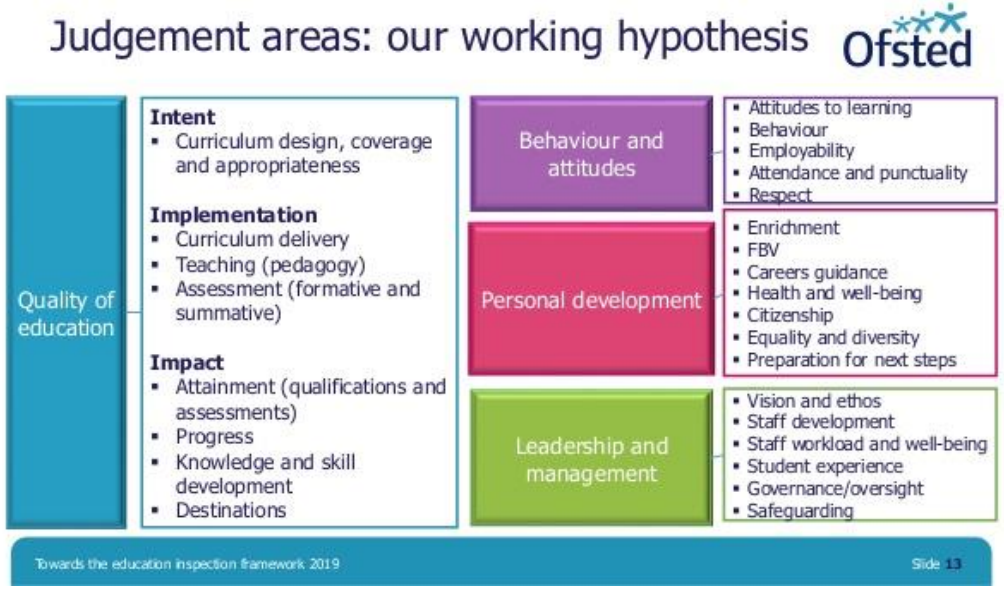
- A move away from centralised control and management of education and training budgets, **e.g. London raising the low wage waiver to £20,572.50**
- It could re-energise adult learning by providing greater freedoms and flexibilities, **e.g. proposed full funding for ESOL up to entry level 3 from 2020/21 in London**
- By aligning with other funding streams, e.g. Job Centre Plus, ESF, Work and Health Programme, it could lead to more integrated approaches to helping individuals disadvantaged in the labour market, increasing skill levels and productivity, **e.g. ESF in London to fill gaps in provision for people with low levels of literacy**
- At local level, it could result in more effective, better targeted provision, and more productive partnerships between communities, employers and providers, **e.g. ESOL Plus pilots in London**
- The focus on outcomes, such as progression to sustainable employment, further study and improved earnings, rather than just on starts and qualifications is also welcome
- It could provide for a better match with needs of local economy, **e.g. ESOL for sectors with skills shortages**

Benefits from devolution 2

- It could make for a better balance of local and national funding streams
- Establish models for joint working across all post-16 skills activity, bringing together planning, funding and regulation, regardless of whether funding is devolved or retained
- Lead to a new relationship with providers that is more strategic and less transactional
- Encourage bottom-up innovative projects and experimentation to meet local and regional needs
- It could ensure a more stable and secure skills infrastructure …. but possibly with fewer high quality providers (threat to many smaller ESOL providers)

The new Education Inspection Framework (EIF)

A move way from outcomes and a greater focus on quality of the curriculum, and a reduction in the number of types of provision.



What is Ofsted focusing on?

- ❑ **Knowledge and skills**
- ❑ Challenge
- ❑ Curricular goals
- ❑ **Progress**
- ❑ **Long-term memory**
- ❑ Assessment
- ❑ **Schemas** (complex knowledge webs, more holistic approach)
- ❑ SEND

The new Education Inspection Framework (EIF)

Curriculum:

A framework for setting out the aims of a programme of education and training, including the knowledge and understanding to be gained at each stage (**intent)** …

…. for translating that framework over time into a **structure and narrative**, **(implementation)**

…and for evaluating what knowledge and understanding students have gained **(impact)**

Quality of Education: rich ESOL curriculum, taught well, leading to learners achieving their all

- ❑ **Content:** Learned to long-term memory
- ❑ **Deep knowledge** - Not isolated information
- ❑ **Skills**: Capacity to perform, drawing on what is known.
- ❑ **Behaviours:** Expected and needed for intended destinations

Quality of Education: rich ESOL curriculum, taught well, leading to learners achieving their all

- **Starting points:** establishing what learners can do, setting targets and monitoring progress
- **Curriculum Design (intent) :** aims, coverage, content, structure and **sequence**
- **Curriculum Delivery (implementation) :** teaching methods (pedagogy) and assessment (formative and summative)

Questions

- How can your current range of ESOL provision contribute to
  - AEB local and low pay flexibilities
  - Progression to legal entitlements
  - LEP and Job Centre Plus priorities
  - Combined Authority Skills Strategies and Outcome Frameworks?

- What changes would you need to make to the range of ESOL provision and services to more effectively meet these priorities?

- What improvements do you need to make to the quality of the ESOL curriculum?

Many thanks

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