March 2017

Dear Colleague,

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

**Adult education budget**

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

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

**Continuing learners**

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

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

**Future devolution of the adult education budget**

We continue to work with ministers and other stakeholders on the proposals to devolve adult education budget funding to areas with agreed devolution deals. Your 2017 to 2018 adult education budget allocation is not affected by devolution plans.
If you wish to discuss your allocation statement, please contact your provider manager.

Yours sincerely,

Keith Smith
Director – Funding and Programmes

Allocation statement notes

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

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

We have used nationally consistent methodologies to work out allocations.

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

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

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

<table>
<thead>
<tr>
<th>Adult education budget:</th>
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<tbody>
<tr>
<td>Baseline</td>
<td>£1,457,254</td>
</tr>
<tr>
<td>of which, 19+ continuing learners</td>
<td>£0</td>
</tr>
<tr>
<td>2017 to 2018 allocation</td>
<td>£1,457,254</td>
</tr>
<tr>
<td>August 2017 to March 2018</td>
<td>£912,970</td>
</tr>
<tr>
<td>April 2018 to July 2018</td>
<td>£544,284</td>
</tr>
</tbody>
</table>

- **Value transferred to EFA for 19+ continuing learners (negative value)**
- **Total value of 2017 to 2018 AEB allocation**
- **Value of allocation to use from August 2017 to March 2018**
- **Value of allocation to use from April 2018 to July 2018**