

Schedule 1

The North East Mayoral

Strategic Authority

Adult Skills Programme (ASP)

Funding Rules

For the 2026-27 Funding Year

(1 August 2026 to 31 July 2027)

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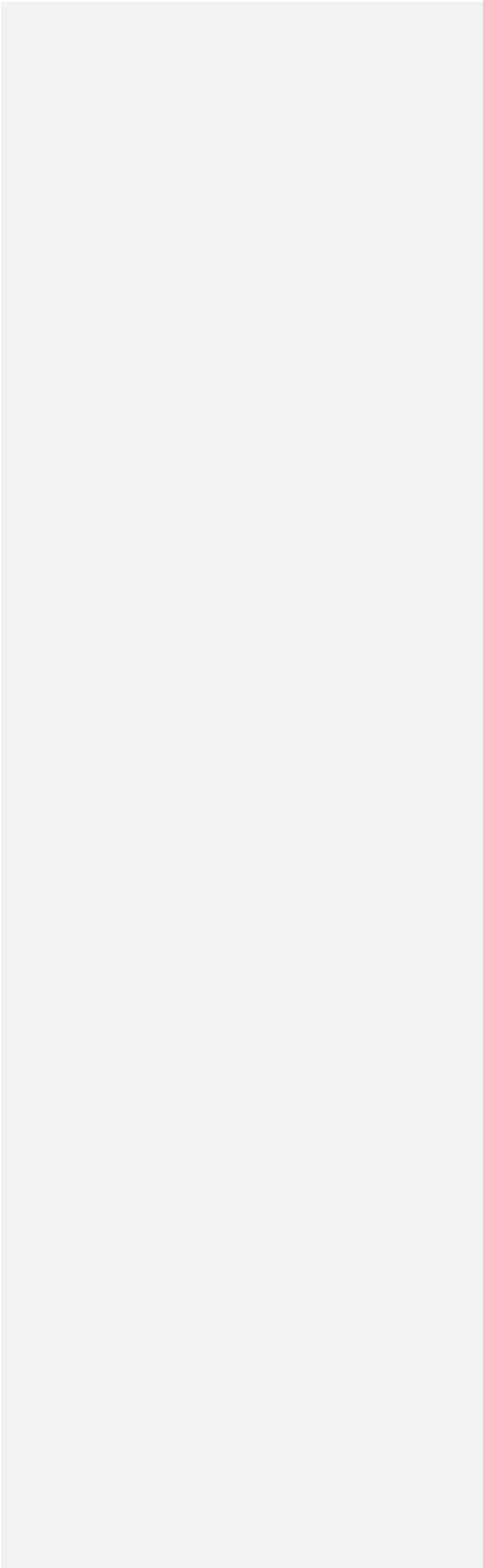
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1. Integrated Settlement

- 1.1. From April 2026, the North East Mayoral Strategic Authority will move into an Integrated Settlement with government. As part of this settlement, the MSA will be subject to an Outcomes and Outputs Framework which sets out specific targets to be achieved by March 2029 in relation to Adult Skills.
- 1.2. To support delivery of these targets, all funded providers will be required to contribute to regional performance expectations.
- 1.3. Individual Key Performance Indicators (KPIs) will be agreed with providers and will align with the wider regional outcomes and outputs framework. These KPIs will form part of the provider performance management arrangements.
- 1.4. The MSA expects all providers to work collaboratively and proactively to support the achievement of the regional targets.
- 1.5. Delivery partners should ensure that their provision contributes positively to the agreed outcomes and supports the MSA in meeting its obligations under the Integrated Settlement.

2. Introduction to the Adult Skills Programmes

- 2.1. The purpose of the Adult Skills Programme is to support adult learners in the North East MSA region to gain skills which will lead them to meaningful, sustained, and relevant employment, or enable them to progress to further learning which will deliver that outcome.
- 2.2. These rules apply to all education and training providers who receive Adult Skills Programme funding.
- 2.3. This document applies to all providers who receive North East MSA-funded Adult Skills Funding Programme funding for the year 2026 to 2027 (1 August 2026 to 31 July 2027).
- 2.4. These rules do not apply to apprenticeships or advanced learner loans.
- 2.5. This document forms part of the terms and conditions of funding, and you must read it in conjunction with your funding agreement, approved delivery plan and any programme-specific guidance, frameworks or associated documents issued by the North East MSA.
- 2.6. You must operate within the terms and conditions set out in these rules. If you do not, you could be in breach of your contract with North East MSA, and appropriate action may be taken.
- 2.7. We reserve the right to make changes to these funding rules and will publish any updated versions on the North East MSA <https://www.northeast-ca.gov.uk/projects/adult-skills>. It is Your responsibility to ensure that you regularly visit the website and comply with the current version of these funding rules and associated documents.
- 2.8. Definitions are included to assist in understanding the terminology and explain technical terms.

3. Understanding the Terminology

- 3.1. The term 'North East MSA' refers to the North East Mayoral Strategic Authority. When North East MSA refers to 'you' or 'providers,' this includes Colleges, Sixth Form Colleges, Independent Training Providers (ITPs), voluntary community sector providers, and Local Authorities who receive funding from us to deliver adult education and training to North East MSA residents.
- 3.2. We will use the generic term 'you' or 'provider' unless the requirements only apply to a specific provider type, we use the term 'funding agreement' to include Conditions of Funding (grant)
 - grant funding agreement/grant agreement
 - contract for services
- 3.3. We use the terms 'individual' 'resident' and 'learner' to cover those whose provision is funded by us.
- 3.4. We use the term 'provision' or 'learning' or 'learning aims' to refer to North East MSA funded Adult Skills Programme, whether it is a regulated qualification, or other learning that is not regulated.
- 3.5. If we refer to 'qualifications,' they will be from the Regulated Qualifications Framework (RQF) or an Access to Higher Education Diploma recognised and regulated by the Quality Assurance Agency (QAA).
- 3.6. If we refer to 'learning aims,' we mean a single episode of learning which could be a regulated qualification, a component of a regulated qualification or non-regulated learning.
- 3.7. If we refer to 'programmes,' we mean a coherent package of learning which may include regulated qualifications, components of regulated qualifications or non-regulated learning with clearly stated aims supporting agreed outcomes.
- 3.8. We may refer to this document as 'funding rules' or 'the rules.'

4. Contact Us

- 4.1. You can contact via your assigned Relationship and Contract Manager. Alternatively, you can contact us through our Skills mailbox: Skills@northeast-ca.gov.uk

5. What's New in the Adult Skills Programme for 2026 to 2027

- 5.1. **Introduction of new funding streams:** New, more flexible funding strands to support, foundation skills, priority sectors, and employer-driven training.
- 5.2. **Progression/outcome targets:** Clear expectations for learner completion, progression to higher-level learning, and movement into employment.
- 5.3. **Earnings Threshold:** Eligibility raised to £32,000, aligned with current UK salary benchmarks (ONS/industry guides).
- 5.4. **Fully Funded Digital Skills up to level 2:** All digital skills learning up to and including Level 2, fully funded to tackle digital exclusion and boost employability.

- 5.5. **OFSTED:** Following the introduction of the new OFSTED Inspection Framework, the North East MSA requires all providers to maintain the **Expected Standard** for the full duration of their delivery.
- 5.6. **Outcome Collection Returns:** Providers must complete and submit the learner outcome tracker at key ILR return points, with expected deadlines of R03 by the end of November 2026, R06 by the end of February 2027, R09 by the end of May 2027, and R14 by the end of October 2027.

Section 1 - General Funding Requirements

1. Principles of Funding

- 1.1. These rules apply in relation to all learners starting new North East MSA Adult Skills Programme learning aims on or after 1 August 2026 and continuing learners as referenced in the Who We Fund section.
- 1.2. Funding must be earned in the way set out in the specific funding agreement, and funding rules related to that funding.
- 1.3. We will review and monitor whether the provision you provide represents good value for money. If we consider that funding is significantly more than the cost of providing education and training, we may reduce your funding after consulting with you.
- 1.4. The triggers for action and the type of action we may take are set out in these documents. This is in accordance with provisions in our funding agreements.
- 1.5. Provision must be delivered in person, or in a combination of in person and online. Whilst a proportion of learners can receive their full training online, this cannot be the case for every learner you engage with across your ASP delivery.
- 1.6. A key focus of learning which is funded through the ASP budget, is that it is planned and supported by a curriculum plan. We will only fund provision that is tutor-led and not self-directed. Self-directed learning should not be included in Guided Learning Hours.
- 1.7. Guided Learning Hours will be monitored and North East MSA reserve the right to apply minimum hours to satisfy quality of delivery.
- 1.8. The North East MSA requires all providers to maintain at least the OFSTED *Expected Standard*. Providers who do not meet this standard will be subject to enhanced monitoring, restrictions on future contracting, and/or withdrawal of funding at the discretion of the North East MSA. Please refer to [OFSTED](#) official guidance for clarification.
- 1.9. You must notify your Relationship and Contract Manager of OFSTED inspection and invite to Feedback meeting.
- 1.10. Failure to comply with funding rules may result in formal intervention by the MSA. This may include the suspension of delivery, recovery of funds, enhanced monitoring, or other contractual actions deemed necessary.

2. Who We Fund

- 2.1. Individual residents in the North East MSA region, with an eligible North East MSA postcode only, undertaking North East MSA-Funded Adult Skills Funding Programmes
- 2.2. Continuing learners who are residents of the North East MSA region, who have not completed their learning by 31 July 2026. You must ensure that You meet the cost of continuing learners within your contract allocation.
- 2.3. Dependants of individuals holding any sponsorship-based visa are eligible for ASP funding, except for dependants of Seasonal Worker Visa holders, who are not eligible.

3. Residency

- 3.1. You must check the eligibility of a learner, including where in North East MSA they are resident, at the start of each learning aim and only claim funding for ASP for eligible learners. Please refer to the Glossary for definition of 'learner residency' and the devolution [postcode checker data set](#).
- 3.2. Individuals will be eligible for funding if they meet the criteria in the [Who we Fund](#) section, the learning is taking place in England, and they are ordinarily resident in the North East MSA region on the first day of learning.
- 3.3. You must make sure enrolments for North East MSA-funded ASP, support your decision to claim funding and support the individual's case for consideration as ordinarily resident in England, or any exceptions set out in the residency eligibility section.

4. Age

- 4.1. On the first day of learning a learner must be aged 19 or older on 31 August within the 2026 to 2027 funding year to be North East MSA funded.

5. Duration

- 5.1. Learners will be eligible for funding for the whole of the learning aim or programme if they are eligible for funding at the start. You must reassess the learner for any further learning they start.
- 5.2. The North East MSA also has responsibility for continuing residents who commenced learning in 2025/2026, where their delivery is planned into the 2026/27 funding year. You must ensure, you meet the cost of continuing learners within your 2026/27 contract allocation.

6. Ineligible Learners

- 6.1. If an individual starts a learning aim or programme and is not eligible for funding, we will not fund their learning while they remain ineligible.
- 6.2. Learners living in residences that do not have an eligible North East MSA postcode will not be funded by the North East MSA.
- 6.3. You must not fund a learner who is unable to complete a learning aim or programme of study in the time they have available.

7. Individuals Who Aren't Eligible for Funding

- 7.1. You must not claim funding for individuals who do not meet the eligibility criteria set out in the residency eligibility section. Examples of individuals who do not meet the eligibility criteria include the following. Please note this list is not exhaustive:
 - those who are here without authority or lawful status.
 - those who are resident in the UK on a student visa.
 - those who are in the UK on holiday, with or without a visa.

- those who are in the UK on a sponsorship visa, including skilled worker visas and seasonal worker visas.
- those whose biometric residence permit or residence permit imposes a study prohibition or restriction on the individual Learners with limited length visas.

8. Learners with Limited-Length Visas

- 8.1. Where a course continues past a learner's visa expiry date, providers may, at their discretion, fund that learner only where they have a high degree of confidence that a learner intends to (and will be eligible to) renew their visa.
- 8.2. Any person who has applied for an extension or variation of their current immigration permission in the UK is still treated as if they have that leave. This only applies if the application was made before their current permission expired. Their leave continues until the Home Office decides on their immigration application. Their leave will continue where they have appealed or sought an administrative review of their case within the time allowed to them for doing so.
- 8.3. Therefore, a person is considered to still have the immigration permission that they held when they made their application for an extension, administrative review or appeal, and their eligibility would be based on this status.
- 8.4. This is on the basis that the provider confirmed at enrolment that the learner intended to and will be eligible to renew their visa.

9. EEA and Switzerland Frontier Workers

- 9.1. An EEA or Switzerland frontier worker is someone who is employed or self-employed in the UK who resides in the EEA or Switzerland and returns to that residence in the EEA or Switzerland at least once a week.
- 9.2. Unlike other categories, a frontier worker or their eligible family member does not have to be resident in the UK on the first day of learning in order to have an eligible residency status.

10. Learners who live in Wales, Scotland, or Northern Ireland

- 10.1. Wales, Scotland, and Northern Ireland have their own funding arrangements. If you are planning to deliver a significant quantity of learning to learners who do not live in England, you must develop arrangements with the relevant devolved administration or DfE.

11. Asylum Seekers

- 11.1. Asylum seekers are eligible to receive funding if they:
 - have lived in the UK for 6 months or longer while their claim is being considered by the Home Office, and no decision on their claim has been made, or
 - are receiving local authority support under section 23C or section 23CA of the Children Act 1989 or the Care Act 2014
- 11.2. An individual who has been refused asylum will be eligible if:

- they have appealed against a decision made by the UK government against granting refugee status and no decision has been made within 6 months of lodging the appeal, or
- they are granted support for themselves under section 4 of the Immigration and Asylum Act 1999, or
- are receiving local authority support for themselves under section 23C or section 23CA of the Children Act 1989

12. No Recourse to Public Funds

- 12.1. The learner's immigration permission in the UK may have a 'no recourse to public funds' condition. Public funds do not include education or education funding. Therefore, this does not affect a learner's eligibility, which must be decided under the normal eligibility conditions.

13. Learners in the Armed Forces

- 13.1. British armed forces personnel, Ministry of Defence personnel or civil and crown servant's resident in England, who meet the criteria in the eligibility section, are eligible for North East MSA funded ASP where learning takes place in England.
- 13.2. Members of other nations' armed forces stationed in England, and their family members, aged 19 and over, are eligible for North East MSA funded Adult Skills Programmes, set out in the who we fund section, if the armed forces individual has been ordinarily resident in England for the previous 3 years on the first day of learning. We will not fund family members who remain outside of England.

14. Fees and Charging

- 14.1. You must not make compulsory charges relating to the direct costs of delivering a learning aim to learners we fully fund, including those with a legal entitlement to full funding for their learning. Direct costs include any essential activities or materials without which the learner could not complete and achieve their learning.
- 14.2. You must not make compulsory charges related to the cost of delivering a learning aim/programme to residents who do not complete their training or stop attending.
- 14.3. If a fully funded learner needs a disclosure and barring service (DBS) check to participate in learning, you cannot charge them for this. If the learning is associated with the learner's employment, their employer is responsible for carrying out and paying for this check.
- 14.4. When charging a fee to co-funded learners or their employers, the sum of the North East MSA contribution and the fee must not exceed the fully funded weighted rate for the learning aim, and the learner or employer should not have to pay more than 50% of the unweighted rate.

15. Qualifying Days for Funding

- 15.1. A learner must be in learning for a minimum number of days between their learning start date and the learning planned end date before you can earn funding, including learning support. The guidance below sets out the minimum days required for funding for ASP:

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

15.2. This does not apply where the learner achieves the learning aim.

15.3. Where planned learning days are below the recommended GLH and additional needs of the resident, we may seek removal of the funding.

16. Withdrawals

16.1. The MSA will routinely monitor the volume of learner withdrawals where funding has been claimed.

16.2. Where a provider's withdrawal rate exceeds **10%** this will be deemed a *high withdrawal percentage* and will trigger enhanced monitoring.

16.3. In such cases, the MSA will undertake a comprehensive review of the provider's withdrawal activity. This review will include, but not be limited to:

- an assessment of the quality and accuracy of the Information, Advice and Guidance (IAG) provided to learners.
- analysis of the reasons for withdrawal; and
- scrutiny of enrolment and induction practices to ensure compliance with funding rules.

16.4. Where high withdrawal rates are persistent, unexplained, or indicative of poor practice, the MSA reserves the right to recover all funding associated with the affected learners and apply any additional contractual remedies deemed appropriate.

17. Recognition of Prior Learning (RPL)

17.1. A learner could have prior learning or attainment that has been previously accredited by an awarding organisation or could be formally recognised and count towards achievement of a qualification. If this is the case, you must:

- reduce the funding amount claimed for the qualification aim by the percentage of learning the learner does not need.
- follow the policies and procedures set by the awarding organisation regarding recognition of prior learning, including any restrictions concerning where RPL or prior attainment may not be applied.
- ensure you have a robust internal RPL policy and appropriate resources to deliver RPL.

17.2. We would not expect RPL or prior attainment to be used against the whole qualification, this is exemption rather than RPL.

- 17.3. You must not use prior learning to reduce funding for:
- English and maths qualifications up to and including level 2 or
 - essential digital skills qualifications up to and including level 2.
- 17.4. If a learner enrolls on an advanced subsidiary (AS) level qualification followed by an A level, you must reduce the funding claimed for the A level to take account of the prior study of the AS level and record this in the 'funding adjustment for prior learning' field in the ILR. More information is available in the DfE's ILR guidance.

18. Carry-In Learners

- 18.1. Carry-in learners should only occur where they are a natural consequence of the planned duration of learning aims and should be minimal overall. They must not be used to defer delivery or mitigate under-performance within the funding year.
- 18.2. The volume of carry-in learners should remain proportionate and aligned to planned delivery. A high proportion of carry-in learners will be reviewed to ensure it reflects expected delivery patterns.
- 18.3. Providers are expected to plan and deliver provision with a balanced profile of learner starts across the academic year.
- 18.4. A significant increase in starts in the final quarter (Q4), where this appears intended to maximise performance against allocation, will be subject to review and may not be considered an appropriate delivery model.
- 18.5. Where delivery patterns deviate from expectations, the MSA may:
- request additional information or justification.
 - work with providers to agree adjustments to delivery.
 - adjust funding where delivery is not aligned to planned activity.

19. Breaks in Learning

- 19.1. You and the learner can agree to suspend learning while the learner takes a break from learning. This allows the learner to continue later with the same eligibility that applied when they first started their learning.
- 19.2. We will not fund a learner during a break in learning.
- 19.3. You must record the date a learner starts a break in learning and the date they restart their learning in the ILR. Further guidance on recording breaks can be found in the [ILR Provider Support Manual](#).
- 19.4. You must have evidence that the learner agrees to return and continue with the same learning aim; otherwise, you must report the learner as withdrawn. When the learner returns to learning, you must re-plan and extend the remaining delivery as required.
- 19.5. Breaks in learning must not be used to 'suspend' learning where contact is lost, or the attendance or academic performance of the resident is poor.

- 19.6. You must not use a break in learning for short-term absences, such as holidays or short-term illness.

20. What We will not Fund

- 20.1. Provision that is not part of a provider's agreed delivery plan or has not been given prior written approval by Us.
- 20.2. Qualifications, units or learning aims that are not listed on [find a learning aim](#) or on the [DfE list of qualifications approved for funding](#)
- 20.3. Provision to learners in custody – the Ministry of Justice funds prison education in England. Please note you can use your North East MSA funded ASP to fund individuals released on temporary licence.
- 20.4. Any part of any learner's learning aim or programme that duplicates provision they have received from any other source.
- 20.5. Training where a learner is undertaking an apprenticeship or a degree, where that training will replicate vocational and other learning aims covered by the apprenticeship standard or framework, including English and maths.
- 20.6. Offer career-related training that conflicts with the apprenticeship aims.
- 20.7. Be taking place during the apprentices working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to.
- 20.8. Repeat the same regulated qualification where the learner has previously achieved it. The exceptions are that it is for any GCSE where the learner has not achieved grade 4 (C) or higher, or for English and maths where the learner has been assessed as having an existing skill level lower than grade 4 (even if they have previously achieved a GCSE or equivalent qualification in English or maths).
- 20.9. The North East MSA will not fund a learner to sit or resit a learning aim assessment or examination where no extra learning takes place.

21. General Funding Principles for English, Maths & Digital

- 21.1. We will fully fund non-regulated English, maths and digital for learners, including those learners assessed at pre-entry level with significant learning difficulties and/or disabilities as part of a personalised learning programme.
- 21.2. You must carry out a thorough initial assessment to determine an individual's current level using current assessment tools based on:
- DfE-published Functional Skills English and maths subject content (Entry Levels to Level 2). or:
 - the national standards for essential digital skills or DfE published digital Functional Skills subject content.
 - carry out an appropriate diagnostic assessment to inform and structure a learner's evidence pack to use as a basis for a programme of study.

- assessment tools must be valid, current, and mapped to relevant subject content.
- enrol the learner on a level above that at which they are assessed and/or of which they have prior attainment and be able to provide evidence of this.
- deliver ongoing assessment to support learning.
- record the evidence of all assessment outcomes in the evidence pack.

21.3. The assessments must place a learner's current skills levels within the level descriptors used for the RQF.

22. Evidence

- 22.1. You must hold evidence to assure us that you are using North East MSA funded ASP appropriately. Most evidence will occur from your normal business process. You must make sure enrolments for North East MSA funded ASP support your decision to claim funding and support the individual's case for consideration as ordinarily resident in England, or any exceptions set out in the Residency eligibility section.
- 22.2. In line with [General Data Protection Regulations](#) (GDPR), you must record in the evidence pack what appropriate documentation you have seen, rather than take photocopies to prove eligibility.
- 22.3. Where your data does not support the funding, you have claimed, North East MSA will act to get this corrected and could recover the funds you have claimed.
- 22.4. [Annex C](#) sets out the detailed evidence requirements.

23. Quality Assurance

- 23.1. As part of our assurance work, the North East MSA will be monitoring the data you submit to the DfE from the ILR and the EAS. To gain assurance, the North East MSA will undertake regular reviews of all providers.
- 23.2. The reviews will include, but not be limited to:
- systems and processes
 - ILR Data
 - EAS submission
 - sample check of learner files
 - supply Chain/Sub-Contracting arrangements
 - other contractual requirements
- 23.3. To ensure consistency, compliance, and high-quality delivery across all programmes, the following minimum requirements must be met for every learner. These mandatory requirements form part of the programme's **Quality Assurance Rules** (Schedule 5), and must be evidenced in the learner file.
- Initial Information, Advice and Guidance (IAG)
 - Ongoing Engagement and Learning Activity including signed registers

- Exit IAG and survey

24. Unemployed Definition

- The eligibility criteria for ASP funding includes having earnings below the threshold of £32,000. This includes individuals with no earnings, such as those who are unemployed or economically inactive.
- In order to claim full funding for learners who are unemployed and not in receipt of benefits, you must indicate that they earn below the earnings threshold by using LDM code 391 and FFI code 1.
- If the learner is unemployed and is claiming benefits you must complete the [Benefit Status Indicator](#) (BSI) to identify the learner is in receipt of Job Seekers Allowance (JSA) (BSI 1), UC (BSI 4) or Employment and Support Allowance (ESA) (all categories) (BSI 5).

25. Employed Definition

- 25.1. For funding purposes, the North East MSA treats a resident as employed if they are in receipt of waged income as a permanent, temporary, or self-employed worker. This includes part-time, zero-hour, and agency contracts. To support assurance, providers should obtain self-declarations from residents, supported by appropriate evidence, to confirm employment status.

26. Earnings Threshold

- 26.1. We have increased the earnings threshold as part of the eligibility criteria that enables learners to be fully funded if they earn below £32,000. The policy entitlement includes learners who are employed or self-employed.
- 26.2. You may fully fund learners who are employed, or self-employed, up to and including level 2 and the level 3 offers, if they earn below £32,000 annual gross salary.
- 26.3. You must have seen evidence of the learner's gross annual wages in these circumstances.
- 26.4. It is your responsibility to ensure that the evidence seen is sufficient, accurate, and robust enough to justify the award of full funding to a learner who would ordinarily be co-funded.
- 26.5. You must have seen evidence of the learner's gross annual wages in these circumstances and record what has been sighted. This could be a wage slip or a UC 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.
- 26.6. To claim full funding for learners who earn below the earnings threshold, you must use **LDM code 391** and FFI code 1.

27. Learning In the Workplace

- 27.1. The North East MSA will fund learning in the workplace to support residents achieve an in-work progression, such as increased pay, responsibility, or promotion. This provision should have a flexible delivery to allow all employed residents to participate according to their needs.
- 27.2. The North East MSA will also fund learning in the workplace for work experience where it enhances the learning experience or increases employment prospects within the sector specific area they are studying.

28. Employer Contributions

- 28.1. Employer contributions are mandatory where the training is directly related to the employee's current role. This includes:
- mandatory training required for legal, regulatory, or operational compliance.
 - role-specific skills development necessary for the employee to perform their duties effectively.
- 28.2. Where training is funded on behalf of an employer for the purpose of training employees:
- the employer must contribute 50% of the total training cost per learner, regardless of the learner's income level (including those earning £32,000 or under)
 - The North East Mayoral Strategic Authority (North East MSA) will only fund up to 50% of the cost per learner.
 - this ensures a shared investment model between public funds and employers.
- 28.3. Employers are required to provide documentation confirming their financial contribution towards the training.
- 28.4. Training providers must report both the employer contributions, and the outcomes achieved by learners. Failure to comply with these requirements may result in the withdrawal of funding.
- 28.5. Where funding is used to support in-work progression, such as wage increases or promotions, this will not require an employer contribution and will instead follow the standard earnings eligibility thresholds.

29. Support

- 29.1. The North East MSA overarching aim is to support as many eligible adult learners as possible to access learning. Some learners will need additional support to start or stay in learning.
- 29.2. Where you identify that a learner has a learning difficulty and/or disability, or a financial barrier, your North East MSA funded ASP allocation enables you to claim learning support and/or learner support funding to meet the additional needs of learners.

30. Learning Support

- 30.1. Learning support is available to meet the cost of putting in place a reasonable adjustment, as set out in the [Equality Act 2010](#), for learners who have an identified learning difficulty and/or disability, to achieve their learning goal.
- 30.2. Learning support must not be used to deal with everyday difficulties that are not directly associated with a learner's learning on their programme.
- 30.3. You must:
- carry out and document a thorough assessment to identify the learner's learning difficulty and/or disability.
 - agree and record the assessment and outcome of your assessment in the evidence pack.
 - record details of the reasonable adjustments required and how support will be planned and delivered.
 - record and retain the appropriate evidence to demonstrate that the planned support has been delivered.
 - confirm the continuing necessity and appropriateness of these reasonable adjustments on a monthly basis.
 - report in the ILR that a learner has a learning support need associated with an identified learning aim, by entering code LSF1 in the 'Learning Delivery Funding and Monitoring' field and entering the corresponding dates in the 'Date applies from' and 'Date applies to' fields
 - learning support funding can only be claimed for each month in which reasonable adjustments are provided to the learner and where evidence of costs can be provided. For months in which no reasonable adjustments are necessary, or no costs have been incurred, a claim for learning support funding must not be made.
- 30.4. All learning support claims must be reported in the ILR. To claim any costs that exceed the fixed monthly rate, up to £19,000 you must also use the Earnings Adjustment Statement (EAS). Claims must be submitted monthly. For any costs over £19,000 please see the next section for exceptional learning support.
- 30.5. You must keep evidence of these additional costs in the evidence pack. You must only record the excess amount on the EAS, not the whole learning support cost. Unless a learning aim is delivered in less than one calendar month, in this case you may claim the entire cost through EAS.
- 30.6. Procured Contract for Service providers can utilise up to 5% of their funding allocation for learning support only.

31. Excess Learning Support

- 31.1. You must appropriately plan and allocate your Learning Support within your delivery plan at the start of the contract period. Once approved by your RCM, no additional learning support will be paid which exceeds your allocation.
- 31.2. **Formula-funded Learning Support** of £150 per month is generated through the ILR. Where an initial assessment identifies that a learner requires support that is expected to exceed £1,800, resulting in a need to claim **Excess Learning Support** through the EAS, providers must submit an Excess Learning Support Claim Form to their RCM for review and approval immediately after it has been identified.
- 31.3. The ELS Claim Form should include details of the proposed support and associated costs. Providers may update the Claim Form throughout the learner's programme to reflect actual support delivered and costs incurred.
- 31.4. You must upload the ELS Claim Form to the specified Teams folder and complete the ELS Claims Tracker for each learner in receipt of ELS.
- 31.5. Any retrospective claims for Excess Learning Support will not be paid without prior approval. Failure to upload the ELS Claim Form and notify your RCM will result in all payments being paused until the issue is resolved.
- 31.6. You are required to submit regular timely learning support claims through the ILR and EAS. The North East MSA will not accept bulk uploads of learning support in a single monthly return. This will be monitored regularly to ensure consistency.

32. Exceptional Learning Support Claims Above £19,000 (Grant providers only)

- 32.1. If a learner needs significant levels of support to start or continue learning and has support costs of more than £19,000 in a funding year, you can claim exceptional learning support (ELS) but only for the amount above £19,000. The amount up to £19,000 should be claimed through the monthly rate and any excess funding through the EAS. Learners aged 19 to 24 who require significant levels of support should have an EHC plan provided by their local authority and, therefore, would access funding from their local authority.
- 32.2. You must submit ELS claims at the beginning of the learner's programme, or when you identify the learner requires support costs more than £19,000 in a funding year, by completing and sending the ELS claims form to your North East MSA Relationship and Contract Manager for approval.
- 32.3. To claim exceptional learning support for a learner aged 19 to 24 you must confirm why the individual does not have an EHC plan. This should be a letter or email from the learner's local authority stating the reason(s) why the individual does not need an EHC plan.
- 32.4. When you claim exceptional learning support you must explain why you have claimed the amount you have, which would be linked to the learner's assessment and planned learning support claim. You must only claim amounts for your costs of providing the support to the learner and not include any indirect costs or overheads.

33. Learner Support (Grant Funding Agreements only)

33.1. Learner support is available to providers with an ASP Grant Funding Agreements to provide financial support for learners with a specific financial hardship preventing them from taking part/continuing in learning. Before you award support to a learner, you must identify their needs within the following categories:

- hardship funding – general financial support for financially disadvantaged learners to support participation learning.
- 20+ childcare funding – for learners aged 20 or older on the first day of learning who are at risk of not starting or continuing learning because of childcare costs.
- ICT devices and connectivity – to support disadvantaged learners who cannot undertake online delivery.

33.2. You must not claim more than 5% of your total learner support as administration expenditure. We expect you to have an internal policy for Learner Support which outlines clear guidance. You must document your process for managing your administration costs over the current funding year and record, report and retain evidence on spending for each of the categories. You must follow these rules and claim learner support using the appropriate method as set out below.

You must:

- have criteria for how you will administer and distribute your funds; these must reflect the principles of equality and diversity and be available to learners and to us on request.
- assess and record the learner's needs, demonstrating the need for support – you must record this information and retain in the evidence pack.
- report the appropriate Learner Support Reason codes in the 'Learner Funding and Monitoring' fields in the ILR. This does not apply to non regulated learning.
- claim on a monthly\regular basis using the EAS.
- consider the availability of other support for learners, for example from Jobcentre Plus
- make it clear to learners it is their responsibility to tell the Department for Work and Pensions about any learner support they are receiving from you, as learner support payments may affect their eligibility to state benefits.
- use either ASP or loans bursary to support specific provision funded by either ASP or ALL where a learner is on 2 courses at the same time.

33.3. You must not use learner support funds for any of the following:

- essential equipment or facilities if the learner is eligible for full funding with the exception of the items covered in the first clause of the hardship section and the flexibilities in ICT devices and connectivity section.
- a learner in custody or released on temporary licence.
- a learner carrying out a higher education course or learning aims fully funded from other sources.
- not use to pay attendance allowances or achievement and attendance bonuses

34. Hardship

34.1. You can use hardship funds for the following:

- course-related costs, including course trips, books, and equipment (where costs are not included in the funding rate)
- support with domestic emergencies and emergency accommodation provided by others, or by providing items or services or cash direct to the learner, this can be in the form of a grant or repayable loan provided by you.
- transport costs (but not make a block contribution to post-16 transport partnerships or routinely fund transport costs covered in the local authority's legal duty for learners of sixth-form age)
- examination fees
- accreditation fees, professional membership fees and any fees or charges due to external bodies
- your registration fees
- to support continuing traineeship learners, including the work placement element

34.2. In exceptional circumstances, you can use hardship funds to assist with course fees for learners who need financial support to start or stay in learning. If an asylum seeker is eligible for provision, you may provide learner support in the form of course-related books, equipment, cash payments, or a travel pass.

35. 20+ Childcare

35.1. You can only use childcare funding to pay for childcare with a childminder, provider or childminder agency, registered with Ofsted.

35.2. You must not use childcare funding to:

- fund informal childcare, such as that provided by a relative
- set up childcare places or to make a financial contribution to the costs of a crèche.

35.3. You must not use childcare for those aged 20 years or older to top up childcare payments for those receiving 'Care to Learn' payments.

36. Residential Access Funding

- 36.1. You can use residential access funding to support ASP learners who meet eligibility criteria in the who we fund section, where they need to live away from home, for example to access specialist provision which involves a residential element, or to support learners who cannot access provision locally.
- 36.2. You must ensure you evidence the costs that make up your claim represent value for money for the local area.

37. Job Outcome Payments

- 37.1. All job outcome payments will be part of your funding allocation.
- 37.2. For fully funded learners who are unemployed we will pay 50% of the achievement payment if they start a job before achieving the learning aim. If the learner then achieves the learning aim, we will pay the remaining achievement payment. The following conditions apply:
- the resident must provide you with evidence through a declaration, that they have a job for at least 16 hours or more a week for 4 consecutive weeks.
 - North East MSA are keen to ensure inclusive growth, providing access to work experience and job outcomes for unemployed and economically inactive residents.

38. Job Outcome Payments Linked to North East Mayoral Strategic Authority Employer-led Programmes

- 38.1. For 2026/27, a job outcome payment will be made when acceptable evidence of employment is received, as set out in each programme specification. This approach will be reviewed for the following academic year.
- 38.2. The resident must provide evidence of employment for 16 hours or more per week for four consecutive weeks. Universal Credit work allowances may still apply and will taper in line with earnings. This requirement applies for 2026/27 and will be reviewed thereafter.

39. Work Placement Funding

- 39.1. We will fully fund individuals for a work placement who meet the criteria:
- are aged 19 to 24 on 31 August within the 2026 to 2027 funding year; and
 - enrol on one or more learning aims from the ASP core offer, or a vocational qualification listed on find a learning aim, alongside a work placement learning aim
- 39.2. A learner's work placement must take place with an employer and allow the learner to develop new workplace knowledge, skills, and behaviours. In total, the work placement element must be at least 70 hours and a maximum of 240 hours, and it must not be virtual or be simulated learning in an artificial environment.
- 39.3. A learner can have separate work placements in different organisations. These must last at least 2 weeks with each employer, and at least 70 hours in total with each placement supporting progression linked to their learning plan.

- 39.4. For learners on Jobseeker's Allowance or Universal Credit, work placements can be between 70 to 240 hours.
- 39.5. A learner who is undertaking work experience as part of a SWAP funded through DWP must not be funded through the 19 to 24 work placements.
- 39.6. For eligible learners aged 19 to 24 the work placement will be funded through the MSA funded ASP funding methodology, with further information available in the ASP funding rates and formula guidance for 2026 to 2027.
- 39.7. Providers must use learning aims that are marked with adult skills fund – work placement.
- 39.8. The employer must offer at the end of each work placement (which you must evidence) either:
- a formal interview for a job or apprenticeship vacancy, plus feedback, or
 - an exit interview, written feedback and evidence of the learner's time and activities during the work placement

40. IS Outcome Collection

- 40.1. The North East MSA requires a learner outcome tracker to support ongoing monitoring and progression. This outcome tracker must be fully completed at **R03, R06, R09, R12 and R14**. The tracker will be available in your Teams document folder and must be submitted by the expected deadlines for each return: R03 by the end of November 2026, R06 by the end of February 2027, R09 by the end of May 2027, R12 by the end of August 2027 and R14 by the end of October 2027. This will be checked against completions in ILR returns to ensure accuracy.
- 40.2. Failure to submit required returns, evidence or data in full, on time, and to the standard specified by the MSA will result in **payments being paused** until the issue is resolved to the Authority's satisfaction.
- 40.3. Where non-compliance continues, or where submissions are persistently late, incomplete, inaccurate, or of poor quality, the Authority may take further action, including **continued payment suspension and/or termination of the contract**, in accordance with the contract terms.
- 40.4. You must track progression data for three months after learning has ended to assess outcomes.
- 40.5. For AY26/27, you must submit one case study per quarter showcasing current delivery. A template will be provided, and appropriate learner permissions must be obtained before submission.
- 40.6. North East MSA require providers to share the Learner survey with all learners following course completion. This will be monitored closely as this data informs future commissioning and identifies trends for improvement. We expect a minimum of 10% of learners to complete this survey and this will be discussed during performance review meetings with your RCM.

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41. Branding Requirements

- 41.1. All providers in receipt of funding from the North East Mayoral Strategic Authority must display the official North East MSA logo on all promotional and marketing materials related to the funded provision. This includes, but is not limited to:
- websites (including course pages and landing pages)
 - printed materials (e.g. flyers, brochures, posters, banners)
 - digital media (e.g. email campaigns, PDFs, videos)
 - event materials (e.g. presentations, backdrops, signage)
- 41.2. The North East MSA logo must be used in accordance with the official brand guidelines, ensuring correct colour usage, sizing, and clear space requirements. The logo can be found in your Teams channel.
- 41.3. The logo must be placed in a prominent position, ideally alongside any other funder logos. Samples will be requested from Providers prior to the academic year starting.
- 41.4. Providers must submit samples of promotional materials to the Authority upon request for compliance checks.

Section 2 – North East Mayoral Strategic Authority Funded Adult Skills Programmes

1. Overview

- 1.1. The North East Mayoral Strategic Authority's Local Growth Plan and the New Deal for North East Workers set out a clear ambition to create a fairer, more prosperous, and more productive region. Building on the strong progress already made, our aim is to shape a coherent, integrated employment and skills system that delivers for residents, businesses, and communities across the North East.
- 1.2. This unified system will drive sustainable economic growth, tackle inequalities, and support people to secure good jobs with opportunities to progress. Over the next three years, our focus will be on:
 - ensuring all residents can participate in and benefit from growth.
 - ensuring people have strong foundations to enter and thrive in the labour market.
 - supporting residents into employment and enabling clear pathways for career progression
 - meeting future skills needs through targeted upskilling and reskilling
- 1.3. To deliver this, the North East MSA will invest in a broader, more effective regional employment and skills system. This includes strengthening leadership capacity, supporting innovation in delivery, and working collaboratively with providers, employers, and communities to transform outcomes for residents and the regional economy.

2. Growth Sector Alignment

- 2.1. Where vocational or sector activity is delivered, provision must align to regional priority sectors.
- 2.2. Priority sectors include:
 - Health and Social Care
 - Construction
 - Green and Net Zero industries
 - Digital and Technology
 - Advanced Manufacturing
 - Logistics and Ports
 - Creative Industries
 - Hospitality and Visitor Economy
- 2.3. Sector alignment ensures learning supports regional labour market needs.

3. Introducing New Funding Strands

- 3.1. As part of our refreshed approach, three new funding strands will underpin our employment and skills system:

- **Skills Foundation** – focusing on non-accredited skills development, such as numeracy, literacy, digital skills, and confidence-building, ensuring residents have the core capabilities needed to succeed.
- **Skills Activation** – enabling residents to take their next step through flexible, targeted provision that supports re-engagement, progression to Level 2 and Level 3, and rapid entry into priority sectors.
- **Skills for Work** – supporting residents directly into employment through employer-led programmes, sector-based training, progression pathways, and initiatives aligned to the needs of the North East MSA local growth plan and labour market.

3.2. Together, these funding streams will support a coherent, future-ready skills system that strengthens the region's competitiveness, improves life chances for residents, and advances the commitments of both the Local Growth Plan and the New Deal for North East Workers.

4. Skills Foundation

4.1. Skills Foundation provision supports adults to build essential skills and confidence as a first step towards further learning or employment.

4.2. The strand focuses on:

- Engagement and confidence building
- Readiness for learning
- Basic skills development
- Employability awareness
- Sector awareness

4.3. Skills Foundation provision is funded using hour-based funding bands, based on the planned guided learning hours for each learning aim.

Funding Band	Guided Learning Hours (GLH)	Funding Rate (£)
First Steps	N/A	100
A	Up to 2 hours	60
B	3–6 hours	180
C	7–12 hours	210
D	13–20 hours	390
E	21–30 hours	630
F	31–40 hours	930
G	41–60 hours	1230
H	61–80 hours	1830
I	81–120 hours	2430

4.4. First Step is designed to support initial engagement for learners who may not yet be ready to begin structured learning.

- 4.5. First Step Rules:
- may be used once per learner.
 - must include initial assessment and pathway planning.
 - must not deliver structured learning programmes.
- 4.6. All Skills Foundation activity is **non-accredited learning**.
- 4.7. All delivery must be recorded through the ILR, and providers must use the approved Core learning aims listed in the Aim Catalogue.
- 4.8. Skills Foundation provision is expected to deliver clear and measurable progression outcomes. A minimum of 20% of learners who complete and achieve a Skills Foundation aim must progress into a positive destination, including Skills Activation, Skills for Work, an apprenticeship, or employment (including self-employment).
- 4.9. Progression is measured at learner pathway level. A pathway consists of all Skills Foundation aims completed by a learner during a continuous period of engagement.
- 4.10. Progression is assessed after completion of the final Foundation aim within a pathway.
- 4.11. A valid progression event must occur within 13 weeks of the final Skills Foundation aim.
- 4.12. Progression will be measured through ILR data, including recorded learner destinations and subsequent enrolments onto further funded provision, and reviewed as part of performance monitoring.

5. Skills Activation

- 5.1. Skills Activation provision supports learners who are ready to take a next step towards work or further training but require targeted preparation, employability development, or sector awareness.
- 5.2. Provision may include:
- English and maths legal entitlements
 - ESOL qualifications
 - Essential Digital Skills
 - Vocational qualifications from Entry Level to Level 4
 - Bespoke programmes
- 5.3. Funding for Skills Activation is determined by the national funding rates listed in Find a Learning Aim.
- 5.4. Providers must follow all national funding rules when claiming funding.
- 5.5. All delivery must be recorded using ILR methodology.
- 5.6. Provision should have clear progression routes, including progression into Skills for Work provision, accredited learning, apprenticeships, or employment.

- 5.7. There is an expectation that at least 20% of learners who complete training at level 1 progress to level 2.

6. Skills for Work

- 6.1. Skills for Work provision supports adults to gain job-specific skills that lead directly to employment or progression in work.
- 6.2. This strand includes the North East MSA employer-led training models, Sector-Based Work Academy Programmes (SWAPs) for unemployed, employed, and self-employed learners.
- 6.3. North East MSA Employer-led Skills for Work provision for must include: Please refer to Annex F for full guidance regarding evidence required prior to approval of delivery.
- curriculum co-designed with named employer(s)
 - confirmed live job vacancies.
 - guaranteed interview for all completers
 - pre-employment training including sector-specific skills, work trials, site visits, employability & interview preparation.
- 6.4. For North East Mayoral Strategic Authority Employer-led programmes providers must use the learning aims listed in the Aim Catalogue and recorded through the ILR.

North East MSA Employer-led Sectors	On programme	Job outcome	Total
SfW-Advanced manufacturing incl. Electric vehicle	£3,080	£1,320	£4,400
SfW-Level 2 Construction and the built Environment	£2,100	£900	£3,000
SfW-Green Jobs - Clean energy generation and supply chains	£4,200	£1,800	£6,000
SfW-Green Jobs - Green technologies and heat networks	£2,100	£900	£3,000
SfW-Green Jobs - Circular economy	£2,100	£900	£3,000
SfW-Tech, Digital, and AI	£2,100	£900	£3,000
SfW-Foundational economy	£1,540	£660	£2,200

- 6.5. The funding values for Skills for Work programmes where a provider uses a North East MSA Core Aim represents the total unit cost per learner, inclusive of an employment outcome payment.
- 6.6. The total funding value includes:
- 70% on-programme delivery funding
 - 30% outcome payment linked to employment or business outcomes.
- 6.7. You will receive 70% of the total funding value for delivery costs assuming the learner completes and achieves, and this follows the normal ILR funding methodology.

- 6.8. The remaining 30% of the unit value is payable only when a valid job or business outcome is achieved.
- 6.9. Skills for Work aims must deliver a minimum of 40 GLH and be completed within a maximum duration of 16 weeks.
- 6.10. Where a provider proposes delivery under the Skills for Work strand using a bespoke learning aim or delivery model for which no fixed funding value is published (including Sector-Based Work Academy Programmes (SWAPs), the proposed funding value will be assessed by the Authority on a value-for-money basis.
- 6.11. Bespoke pricing is intended to reflect genuine differences in delivery cost and must not be used to exceed the funding levels for comparable employer-led, vacancy-driven Skills for Work provision, unless a clear and evidenced justification is provided.
- 6.12. **Funding expectations**
- 6.13. Any proposed unit cost for bespoke Skills for Work provision must be:
- reasonable, transparent and proportionate to the delivery being proposed;
 - clearly linked to the planned delivery model, intensity and outcomes; and
 - aligned to existing Skills for Work funding benchmarks, particularly employer-led vacancy-driven provision.
- 6.14. The Authority reserves the right to challenge, revise or decline proposed funding values where costs are not clearly justified or are materially higher than established benchmarks.
- 6.15. Where a Level 3 learning aim leads directly to a job outcome or progression within work, providers may also use published learning aims available on Find a Learning Aim (FALA). Use of FALA aims under Skills for Work must be clearly justified and may be subject to approval and monitoring.
- 6.16. For construction provision only, providers may additionally use the approved list of Level 2 learning aims under Free Courses for Jobs (FCFJ) where these aims directly support progression into employment or progression within work.
- 6.17. There is an expectation that at least 30% of learners who complete training on an employer-led Skills for Work programme progress into work.
- 6.18. Progression will be monitored through submission of evidence data and reviewed as part of provider performance discussions.

7. Construction Skills Package

- 7.1. The North East MSA may introduce targeted programmes and initiatives to support construction skills, workforce development and employer demand within the construction sector in line with regional economic priorities and the Local Growth Plan. Construction has been identified as a regional priority sector and forms part of the North East MSA's wider employment and skills offer.

- 7.2. Construction Skills Package activity may include:
- ASF Level 2 Construction Skills
 - FE Teacher Industry Exchange (FE TIE)
 - Industry Placements and Employer Support Funding
 - Construction Skills Capital Funding
- 7.3. Where providers receive Construction Skills Package funding, they must comply with any additional programme requirements issued by the North East MSA relating to that activity.
- 7.4. These requirements are set out within the Construction Skills Package Performance Management Framework and any associated programme guidance issued by the North East MSA from time to time.
- 7.5. The Construction Skills Package Performance Management Framework forms part of the North East MSA's funding and performance management arrangements and must be read alongside:
- these Funding Rules;
 - the Grant Funding Agreement or Contract for Services;
 - the approved Delivery Plan; and
 - any programme-specific documentation issued by the North East MSA.
- 7.6. Providers must comply with any requirements relating to:
- agreed outputs and outcomes;
 - delivery profiles and milestones;
 - monitoring and reporting requirements;
 - evidence and audit requirements;
 - performance review arrangements;
 - recovery planning requirements; and
 - funding controls.
- 7.7. Failure to comply with the Construction Skills Package Performance Management Framework, or any associated programme requirements, may result in enhanced monitoring, recovery planning requirements, reprofiling of delivery, funding recovery, payment suspension, contract intervention or any other action available to the North East MSA under these Funding Rules or the relevant funding agreement.

8. Legal Entitlements

The North East MSA funded ASP includes support for 4 legal entitlements to full funding for eligible adult learners.

- 8.1. A learner can only be fully funded for one vocational qualification from the entitlement qualifications list when exercising their legal entitlement. Appropriate information, advice, and guidance should be given to a learner, and the learner should be made aware of their entitlement rights and progression routes on completing an entitlement qualification.
- 8.2. These entitlements are set out in the Apprenticeships, Skills and Children Learning Act 2009, and enable eligible learners to be fully funded for the following qualifications:
- English and maths up to and including level 2 for individuals aged 19 and over who have not previously achieved a grade A* - C or grade 4 or higher, and/or have been assessed as having an existing skill level lower than a grade 4 (even if they have previously achieved a GCSE or equivalent qualification in English or maths)
 - first full qualification at level 2 for individuals aged 19 to 23, and/or
 - first full qualification at level 3 for individuals aged 19 to 23
 - Essential Digital Skills qualifications (EDSQs) OR Digital Functional Skills qualifications (FSQs), up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1.

9. Learning at Level 2 and Below

- 9.1. We will fully fund learners who are aged 19 to 23 and have not previously achieved a full level 2 if they choose a qualification from the level 2 legal entitlement list. You must not charge them any course fees.
- 9.2. Any other learners aged 19 and over wishing to undertake a qualification at level 2 or below (either from the legal entitlement list or local flexibility offer) will be fully funded if they meet the definition of being below the earnings threshold or unemployed. If they do not meet the definition of being below the earnings threshold or unemployed they will be co-funded.
- 9.3. For funding year 2026 to 2027, providers can find the qualifications we have approved in the DfE list of qualifications approved for funding.

10. Learning at Level 3

- 10.1. Learners aged 19 to 23 who have not previously achieved a full level 3 qualification must be fully funded, regardless of the earnings threshold or employment status, if they choose a qualification from the level 3 legal entitlement or FCFJ list. You must not charge them any course fees.
- 10.2. For funding year 2026 to 2027, providers can find the qualifications we have approved in the DfE list of qualifications approved for funding.
- 10.3. Learners who meet the residency eligibility, have exhausted their first level 3 legal entitlement and do not meet the definition of being below the earnings threshold or employment status have the option of funding through an advanced learner loan.

- 10.4. Level 3 qualifications which will support the development of new skills for adult learners and improve the prospects of eligible adults in the labour market. In particular, eligible adults can now access fully funded level 3 provision from the list of level 3 qualifications available via the DfE list of qualifications approved for funding. [Qualification Search - List of Qualifications approved for funding](#)
- 10.5. An uplift is payable at 2 different rates and follows the earnings methodology set out in the funding rates and formula document.
- 10.6. Only level 3 qualifications included in this offer will attract an uplift. There may be additions to the list to ensure it meets the needs of the economy. We encourage providers to check availability regularly.
- 10.7. We will fully fund learners who meet the residency eligibility as part of this offer where they:
- are aged 19 or above on 31 August within funding year 2026 to 2027, enrol on the level 3 qualifications approved for funding and meet the eligibility of being below the earnings threshold or unemployed.
 - are aged 19 to 23 on 31 August within funding year 2026 to 2027, enrol on the level 3 qualification approved for funding, have not achieved a full level 3 and earn above the earnings threshold criteria.
- 10.8. You must not claim for North East MSA funded ASP funding where learners are already being funded through an advanced learner loan (ALL) The criteria for ALL can be found in the ALL funding rules.
- 10.9. You must:
- use LDM code 378 and FFI code 1 to claim for funding for 19- to 23-year-olds learners, who have not achieved a full level 3 and earn above the earnings threshold.
 - use LDM code 378, FFI code 1, and LDM code 391 when recording learners who meet the earnings threshold criteria or are unemployed or are 19 to 23 years old and have not achieved a full level 3.
 - record the employment status of learners accessing the offer in the ILR.
- 10.10. To determine qualifications that are eligible for Level 3 funding you must use learning aims that are marked with FCFJ Adult Skills validity category.
- 10.11. The FCFJ learning aims continue to be marked with the category codes listed below.
- category code 45: National Skills Fund Level 3 Free Courses for Jobs rate 1
 - category code 46: National Skills Fund Level 3 Free Courses for Jobs rate 2
 - for short courses, you must also use category code 49: National Skills Fund Level 3 Free Courses for Jobs – short qualification.

- category code 56: are only eligible for funding if approved by North East MSA.

11. English and Maths

- 11.1. North East MSA will fully fund eligible learners for the following qualifications:
- GCSE English and/or maths
 - Functional Skills English and/or maths from Entry to level 2.
 - Stepping stone qualifications (including components, where applicable) in English and/or maths approved by DfE
- 11.2. To be eligible for the legal entitlement the individual must meet the residency eligibility in Section 1, and:
- be aged 19 or over, and
 - not previously attained a GCSE in English or maths at grade 4 or above (or a qualification which is at a comparable or higher level) or have been assessed as having an existing skill level lower than grade 4 (even if they have previously achieved a GCSE or equivalent qualification in English and maths), as part of their legal entitlement
 - if a learner wants to retake GCSE English and maths qualification because they did not achieve a grade 4 (C), or higher, we will not fund the learner to only resit the exam.
- 11.3. you must not fund an apprentice for English and/or maths from North East MSA funded ASP.
- 11.4. you must not enrol individuals on qualifications which are not necessary for progressing towards a GCSE or Functional Skill level 2.

12. ESOL

- 12.1. The North East Mayoral Strategic Authority is experiencing increased demand for ESOL provision alongside limited capacity in some localities. To support effective use of available places, providers are asked to encourage learners to access North East MSAfunded ESOL provision as close to their home postcode as possible.
- 12.2. We recognise that in some cases local provision may be unsuitable or unavailable. However, to maximise capacity and maintain a balanced spread of ESOL opportunities across the region, we request providers' cooperation in directing learners to appropriate local provision wherever feasible.
- 12.3. ESOL qualifications are part of the ASP learning at level 2 and below, please refer to this section for eligibility criteria.
- 12.4. The total amount allocated to ESOL delivery for the academic year 2026/27 must not exceed the forecasted outturn for the academic year 2025/26. The North East MSA reserves the right to adjust the amount at any time.

- 12.5. Providers are encouraged to implement innovative solutions to address the growing demand for ESOL services. Additionally, there should be a focus on employment for those nearer to the labour market.
- 12.6. Continuous monitoring and assessment of ESOL programmes will be carried out to verify the effectiveness of these innovative solutions and ensure they achieve the desired outcomes.
- 12.7. For the 2026/27 academic year only, you may continue to use the listed non-regulated formula-funded aims in the aim catalogue, alongside all existing accredited aims and any approved bespoke aims.

13. Digital Skills

- 13.1. North East MSA will fully fund eligible learners, including those who are employed, for the following qualifications:
- Essential Digital Skills Qualification (EDSQ) up to and including level 2.
 - Digital Functional Skills Qualifications (DFSQ) up to and including level 2.
 - Non-accredited digital learning at Level 2
- 13.2. To be eligible for the legal entitlement the individual must meet the residency eligibility in Section 1, and be:
- aged 19 or over, and
 - assessed as having digital skills levels below level 2.

14. Heavy Goods Vehicle (HGV)

- 14.1. HGV driver training flexibilities have been developed to support an increase in HGV driver training.
- 14.2. The 2026 to 2027 offer:
- includes level 2 qualifications which will prepare learners for HGV licence acquisition of all vehicles up to category C and E (articulated)
 - includes any new additional qualifications that are approved for training in this sector throughout the 2026 to 2027 academic year.
 - allows all eligible learners, fully funded and co-funded, to be reimbursed for the cost of HGV licences and medical.
- 14.3. Learners must be eligible under the criteria for North East MSA funded ASP eligibility and enrolled on one of the targeted approved for funding level 2 qualifications listed in find a learning aim.
- 14.4. For learners, we will fund the first attempt only for:
- the HGV licence as part of a programme of training and
 - the medical, at a cost of £61 per learner and/or

- a licence to upgrade from category C to category C+E.

14.5. You must use learning aims that are marked with:

- category code 50: HGV Emergency Response, to identify an approved qualification, and
- category code 51: HGV Medical for the additional learning aim to represent the HGV medical and
- category code 52: HGV Licence, for the additional learning aim(s) to represent parts of the Driver Certificate of Professional Competence (CPC) tests required to attain the licence, when learners undertake these elements.
- record an outcome of “Achieved” in the ILR where you have a recorded learning aims for the HGV licence and medical aim, to generate reimbursement funding for these activities.
- have criteria for how you will administer and distribute your funds.
- retain evidence in the learner file confirming that you have verified the medical test and licence documentation, and evidence from your accounts of the payment made to the learner and learner’s receipt of the funds.

15. SWAP

15.1. SWAP provision forms part of ASP funding allocations and is not additional to providers ASP funding allocations in AY 2026-27.

15.2. The Sector-based work academy programme (SWAP) is designed to help Job Centre Plus claimants build confidence to improve their job prospects and enhance their CV, whilst helping employers in sectors with current local vacancies to fill them. SWAP can last up to 6 weeks and has 3 main components:

- pre-employment training
- work experience placement.
- a guaranteed job interview – linked to the employer vacancy, if agencies are used, evidence must be supplied by the employer that a job offer has been given.

15.3. The scheme runs in England and Scotland. Participants remain on benefits throughout their placement.

15.4. Only the pre-employment training element in England can be funded through ASP local flexibility and normally lasts 2 to 3 weeks. Jobcentre Plus fund the other components and will pay any travel and childcare costs whilst claimants are on the work experience placement.

15.5. If pre-employment training leads to a qualification, you must offer the qualification from an Ofqual-regulated awarding organisation.

- 15.6. SWAPs must be approved by the North East MSA before delivery starts and must be clearly detailed within the provider's approved delivery plan. Providers must not deliver or claim funding for SWAP activity that has not been approved by the North East MSA and included in the delivery plan.
- 15.7. No job outcome payments will be paid for SWAP activity.
- 15.8. You must plan to deliver both the pre-employment training and a work experience placement aligned to a guaranteed job interview with a named employer. North East MSA will not approve funding unless a work experience aim is used in the data and evidence can be provided of the work experience taking place in a real working environment.
- 15.9. FE providers are part of the SWAP local design process and are informed when to expect referrals and how many.
- 15.10. You must keep a copy of the claimant's SWAP referral notification issued by Jobcentre Plus in the evidence pack setting out start date and times for their North East MSA funded ASP funded pre-employment training.
- 15.11. To claim full funding for claimants referred to SWAP pre-employment training you must use LDM code 375 and complete the Benefit Status Indicator (BSI) to identify the claimant is in receipt of Jobseeker's Allowance (BSI 1), Universal Credit (BSI 4), or Employment and Support Allowance (all categories) (BSI 5).

16. King's Trust

- 16.1. The King's Trust Team Programme (formerly known as The Prince's Trust) is a 12-week course designed to improve confidence, motivation, and skills for eligible 16 to 25-year-olds. Each team recruits a mix of 16 to 25-year-olds of different abilities and backgrounds, including employees sponsored by their employer. We fund the team programme. Providers in partnership with the Prince's Trust run and manage it on a local basis.
- 16.2. To deliver the team programme, you must get approval from the Kings Trust.
- 16.3. For eligible learners aged 19 to 25, we fund the team programme through the North East MSA funded funding methodology. Please also refer to the Kings Trust section in the funding rates and formula guidance. For eligible learners aged 16 to 19, the team programme is funded through the North East MSA's 16 to 19 funding methodology, with further information available in the rates and formula document.
- 16.4. The King's Trust must be claimed through EAS and submitted on a monthly basis. You must submit the relevant form to your RCM prior to the return. If the form is not submitted, your claim may be rejected. Please refer to the EAS guidance for further information.

17. Learners With Learning Difficulties and/or Disabilities

- 17.1. We will fund learners with learning difficulties and/or disabilities as set out in the Apprenticeships, Skills, and Children and Learning Act 2009.
- 17.2. We have the responsibility for securing the provision of reasonable facilities for education and training suitable to the requirements of persons who are 19 and over, set out in the who we fund section. This includes learners with an identified learning difficulty and/or disability who have previously had an education, health and care (EHC) plan and have reached the age of 25.

- 17.3. The 16 to 19 funding methodology will apply to learners aged 19 to 24, who have an EHC plan and require provision and support costs.

18. Learners with an Education, Health and Care (EHC) Plan

- 18.1. To access provision and support costs you must inform North East MSA before the start of the AY 2026 to 2027 funding year where a learner:
- has reached the age of 25 and has not completed their programme of learning as set out in their EHC plan by the end of the previous funding year, or
 - will reach the age of 25 in the funding year, where their EHC plan is not extended by their local authority to allow them to complete their programme of learning.
- 18.2. The learner must:
- have an EHC plan that confirms their needs could only be met by the training organisation they are, or were, attending.
 - continue to make progress on the programme of learning as set out in their EHC plan.
- 18.3. If a learner has an EHC plan, you must report this in the 'Learner funding and monitoring' fields in the ILR.
- 18.4. We will not fund learners whose EHC plan is extended by the local authority beyond their 25th birthday. The local authority must continue to provide top-up funding and contract directly with the institution.

Section 3 - Subcontracting

1. Subcontracting overview

- 1.1. Your governing body or board of directors (or equivalent) and your accounting officer (senior responsible person) must be satisfied that all your delivery subcontracting meets your strategic aims and enhances the quality of your learner offer. You must set out the reasons for subcontracting in your published supply chain fees and charges policy to reflect your strategic aims. You must be able to evidence this through means such as minutes of meetings and written sign-off.
- 1.2. Your subcontractor(s) do not need to register with North East MSA; however, we expect full due diligence checks to be undertaken by you and all subcontracted provision to be declared to North East MSA for agreement, prior to the commencement of any delivery by the Subcontractor.
- 1.3. Subcontracts of all values will be declared and published once agreed by North East MSA. If your organisation does not apply a rigorous subcontracting due diligence process, we will review your funding arrangements and may limit your ability to subcontract provision.
- 1.4. You must not subcontract to meet short-term funding objectives. Requests for addition of subcontractors purely due to underperformance against your allocation/contract will not be supported.
- 1.5. You must only use delivery subcontractors:
 - if you have the knowledge, skills and experience within your organisation to successfully procure, contract with and manage those subcontractors and can evidence this with the CVs of relevant staff.
 - who your governing body/board of directors (or equivalent) and your accounting officer (senior responsible person) determine as being of high quality and low risk and provide written confirmation evidence.
 - if you have robust procedures to ensure subcontracting does not lead to the inadvertent funding of extremist organisations.
 - you are responsible for all the actions of your delivery subcontractors connected to, or arising out of, the delivery of the services which you subcontract.
- 1.6. All subcontracted Providers must have a valid UKPRN number.
- 1.7. The Management fee must be included in overall costs and must be from your allocation; you cannot top slice funding. Any additional cost submitted will not be paid. The maximum management fee is 20%.

2. Selection and procurement

- 2.1. You must get our written approval before awarding a subcontract to a delivery subcontractor and keep evidence of this. We may place restrictions on your future use of ASP delivery subcontractors if approval is not sought and agreed prior to delivery taking place.

- 2.2. When appointing delivery subcontractors, you must avoid conflicts of interest and you must write to us about any circumstances (for example, where you and your proposed subcontractor have common directors or ownership) which might lead to an actual or perceived conflict of interest.
- 2.3. You must carry out your own due diligence checks when appointing delivery Subcontractors and have both the process and the results available for inspection by us.
- 2.4. You must ensure any delivery subcontractor you appoint continues to meet the requirements of your due diligence procedures and that you provide them with all the necessary support.
- 2.5. You must make sure that learners supported through subcontracting arrangements know about you and your delivery subcontractor's roles and responsibilities in providing the learning.
- 2.6. Terms that you must include in contracts with delivery subcontractors. You must make sure your delivery subcontractors:
- meet the requirements set out in these funding rules.
 - provide you with ILR data so your data returns to us accurately reflect your subcontractor's delivery information.
 - give us, and any other person nominated by us, access to their premises and all documents relating to North East MSA ASP funded provision.
 - always have suitably qualified staff available to provide the education and training we fund through the ASP.
 - co-operate with you to make sure there is continuity of learning if the subcontract ends for any reason.
 - tell you if evidence of any irregular financial or delivery activity arise.

3. Monitoring

- 3.1. You must manage and monitor all your delivery subcontractors to ensure that high-quality delivery is taking place that meets our funding rules.
- 3.2. You must carry out a regular and substantial programme of quality-assurance checks on the education and training provided by delivery subcontractors, including visits at short notice and face-to-face interviews with staff and learners.
- 3.3. The findings of your assurance checks must be consistent with your expectations and the delivery subcontractor's records.
- 3.4. You must also tell us the actual level of funding paid and retained for each of your delivery subcontractors in AY 2026-2027. You must supply this information as part of your delivery plan and payment profile. We may publish the information on North East MSA website at our discretion.

4. Second-level subcontracting

- 4.1. You must not agree the use of any delivery subcontractor where this would require you to subcontract education and training to a second level. You must directly contract all your delivery subcontractors.

Annex A: Eligibility for funding

This annex sets out the countries falling within the below categories as referenced in the residency eligibility.

British Overseas Territories

- Anguilla
- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- Gibraltar
- Montserrat
- Pitcairn, Henderson Island, Ducie, and Oeno Islands
- South Georgia and the South Sandwich Isles
- St Helena and its dependencies (Ascension and Tristan da Cunha)
- Turks and Caicos Islands

EEA

The EEA comprises of the following countries:

- All Member States of the European Union
- You can access a list of member states on the EU website.
- With respect to EEA nationality, note that any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national.
- Iceland
- Lichtenstein
- Norway

The table below lists territories that are categorised as being within the EU and or territories that are categorised as being part of the listed countries such that they satisfy our residency requirements for the purposes of the ASP funding rules.

Denmark	The following is part of Denmark: Greenland Faroe Islands
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Finland	The following is part of Finland and the EU: Åland islands
France	The following is part of France and the EU: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion, and Saint-Pierre et Miquelon) The following is part of France: New Caledonia and its dependencies French Polynesia Saint Barthélemy
Germany	The following is part of Germany and the EU: Tax-free port of Heligoland
Netherlands	The following is part of the Netherlands: Antilles (Bonaire, Curacao, Saba, St Eustatius, and St Maarten) Aruba
Portugal	The following is part of Portugal and the EU: Madeira The Azores
Spain	The following is part of Spain and the EU: the Balearic Islands the Canary Islands Ceuta Melilla

Andorra, Macau, Monaco, San Marino, and the Vatican are not part of the EU or the EEA.

Annex B: Qualifications

Full Level 2 Qualification

Full level 2 is the level of attainment which, is demonstrated by:

- a GCSE in 5 subjects, each at grade 4 (C) or above, or
- a Technical Certificate at level 2 which meets the requirements for the 16 to 19 performance tables.

Please refer to the [qualification downloads - list of qualifications approved for funding](#) on GOV.UK.

Full level 3 Qualification

Full level 3 is the level of attainment which is demonstrated by a:

- General Certificate of Education at the advanced level in 2 subjects
- General Certificate of Education at the AS level in 4 subjects
- QAA Access to Higher Education (HE) Diploma at level 3
- Technical, or applied general qualification at level 3, which meets the requirements for the 16 to 19 performance tables.
- Core maths at level 3
- For new linear AS and A levels, where a learner enrolls on an AS qualification and continues with further study to take the A level qualification in the same subject, you must record both the AS and A level in the ILR. The AS learning aim will be funded separately to the A level learning aim.

Approved Qualifications

- Where you deliver regulated qualifications and/or their components, you must ensure they are [approved for North East MSA funded ASP](#) and available on [find a learning aim](#).
- Where you deliver approved qualifications and/or their components you must ensure that learners are registered for the qualifications and/or component in line with the awarding policies and procedures. You must not 'pre-register' students a significant period in advance of the learner starting the qualification.
- We will fund qualifications that are linked to occupational regulation/licence to practise. You can find more information about these qualifications at the [qualifications website](#).
- Before delivering a component, you must check with the awarding organisation they provide a learner registration facility, and the learner can achieve it alone or as part of accumulating achievement towards a qualification.
- If the [UK ENIC](#) has confirmed the authenticity of a qualification gained overseas and confirmed it is comparable/compatible with a regulated qualification in England, currently part of the level 2 and level 3 [legal entitlement](#), the individual will be deemed to have achieved their first full level 2 and/or level 3 qualification.
- You must provide accurate unique learner number (ULN) information to awarding organisations and ensure all information you use to register learners for qualifications is correct. You can find more information in the [Learner Records Service](#) guidance.

Annex C: Evidence

Evidence Pack

- The evidence pack must contain evidence to support the funding claimed and must be available to us if we need it.
- Evidence in the evidence pack must assure us that the learner exists.
- The learner must confirm information they provide is correct when it is collected.
- If the time spent in learning is short, the level of evidence in the evidence pack would reflect this.
- Where you hold information centrally, you only need to refer to the source.

The evidence pack must confirm the following:

- all information reported to us in the ILR, EAS, funding claims if applicable, and all supporting evidence to substantiate the data that you report.
- your assessment and verified evidence of eligibility for funding and a counter signed record of the evidence the learner has provided to support their eligibility for funding.
- copies of all assessments and diagnostics undertaken to determine a learner's requirements
- evidence and information on prior learning that affects the learning or the funding of any of the learning aims or programme.
- for 'personalised learning programmes,' for example, non-accredited learning aims, full details of all the aspects of the learning to be carried out, including supporting evidence of the number of planned hours reported in the ILR.
- a description of how you will deliver the learning and skills and how the learner will achieve.
- the supporting evidence about why you have claimed funding and the level of funding for a learner.
- details and evidence of any learner or employer contribution
- support needs to be identified, including how you will meet these needs and the evidence of that.
- that learning is taking or has taken place (including a work placement for continuing traineeship learners) and records are available e.g. signed registers.
- if applicable, a learner's self-declaration as to what state benefit they claim.
- a learner's self-declaration on their status relating to gaining a job; and
- all records and evidence of achievement of qualifications, learning aims or continuing traineeship learners. This must be available within 3 months of you reporting it in the ILR.

Where the learner is unemployed, this must include a record of what you have agreed with them, including the relevance of the learning to their employment prospects and the labour market needs.

If a subcontractor delivers any provision to the learner, the provider must clearly identify the subcontractor. This must match the information reported to us in the ILR.

Confirmation and Signatures

- the learner must confirm the information is correct when it is collected. You must have evidence of this, which can include electronic formats.

- we accept electronic evidence, including electronic/digital signatures. Where evidence is electronic, you must have wider systems and processes in place to assure you that learners exist and are eligible for funding.
- both electronic and digital signatures are acceptable.
- where an electronic or digital signature is being held, from any party for any reason, you must ensure it is non-refutable. This includes the definitions of both wet and dry signatures. Systems and processes must be in place to assure to us the original signature has not been altered. Where any document needs to be renewed, and a new signature taken, it must be clear from when the new document takes effect, and both must be held.
- you must keep effective and reliable evidence. You are responsible for making the evidence you hold easily available to us when we need it.

Starting, participating, and achieving

- you can only claim North East MSA funded ASP when directly related learning starts. This would not include enrolment, induction, prior assessment, diagnostic testing, or similar activities.
- for your direct delivery, and any subcontracted delivery, you and where relevant, your subcontractor(s) must have direct centre approval and where appropriate, direct qualification approval from the respective awarding organisation for the regulated qualifications you are offering.
- delivery of the qualification (including learner registration with the awarding organisation) for direct delivery and any subcontracted delivery must be in line with the qualification specification and guidance set out by the relevant awarding organisation.
- you must have evidence that the learning took place, and the learner was not certificated for prior knowledge.
- where the learning is certificated, you must follow the relevant awarding organisation's procedure for claiming the relevant certificate(s) and ensure the learner receives them. You must evidence this has happened in the evidence pack.
- payment will be made on the completion of the learning – completion payments. Achievements will continue to be recorded with no additional payment.

Leaving learning

- you must report the learning actual end date in the ILR for a learner who leaves learning as the last day that you can evidence, they took part in a learning activity.

Self-declarations by learners

- all self-declarations must confirm the learner's details and describe what the learner is confirming for requirements set out in this document.
- if a learner self-declares prior attainment, you must check this in the [personal learning record \(PLR\)](#) and query any contradictory information with the learner. The PLR will not necessarily override the learner's self-declaration.

North East Mayoral Strategic Authority Employer-led Job Outcome Payment

To claim the outcome payment, providers must:

- submit evidence of a valid outcome to their (RCM).
- evidence must demonstrate that the learner has achieved a sustained outcome of at least 4 consecutive weeks.

- once the evidence has been verified, the RCM will issue an additional claim code.
- the provider may then submit the claim using this code to receive the remaining 30% outcome payment.

Eligible Employment Outcomes

An employment outcome is achieved where a learner enters paid employment sustained for at least 4 consecutive weeks.

Acceptable evidence:

- payslips
- employment contract
- employer confirmation

Part-Time Employment

Part-time employment may be counted as a valid outcome where the role meets one of the following minimum thresholds:

- a minimum of 16 hours per week, or
- earnings equivalent to at least 16 hours per week at the National Minimum Wage

Employment below these thresholds will not normally be counted as a valid job outcome unless exceptional circumstances are approved by the RCM.

Self-Employment Outcomes

A self-employment outcome is achieved where a learner demonstrates sustained trading activity for at least 4 weeks.

Acceptable evidence:

- invoices issued to clients
- bank statements showing trading income.
- HMRC self-employment registration
- client contracts or service agreements

Learners who are already self-employed may still achieve a self-employment outcome only where there is clear, verifiable evidence of new work or a new contract secured as a direct result of completing the Skills for Work Programme.

A learner outcome may only be claimed once across publicly funded programmes.

Providers must not claim a job or business outcome where:

- the same employment outcome has already been claimed under another funded programme.
- the learner was already in the same employment role prior to programme start.
- the outcome has been claimed by another provider.

Where duplicate claims are identified, North East MSA may withhold or recover funding.

Providers must retain evidence confirming that the outcome is new employment attributable to the Skills for Work programme.

North East MSA reserves the right to audit outcome claims and recover funding where evidence is insufficient, or claims are found to be ineligible.

Key Timings

Stage	Time Limit
Programme completion → job start	12 weeks
Programme completion → business start	12 weeks
Sustained employment requirement	4 weeks
Sustained self-employment requirement	4 weeks
Outcome claim submission	Within 3 months of outcome achievement

Annex D – Data Submissions/ILR

- All providers must submit an Individual Learner Record (ILR) to the DfE monthly via the Submit Learner Data facility starting at R01 (submitted September 2026) and this must include all ASP activity year-to-date (up to the current R0 i.e. R01 to R03).
- As a provider, you must have the capacity and capability for accurate data and evidence collection, management, and reporting and you must be able to comply with both the North East MSA and the DfE data submission requirements, including, but not limited to, the Individualised Learner Record (ILR), Earnings Adjustment Statement (EAS), and all associated evidence. Changes within the data must be reported in a timely manner, including the reporting of starts, withdrawals and achievements.
- Providers must ensure that all documentation relating to the enrolment of North East CA residents and the record of learning activity is completed accurately. ILR data submitted for North East MSA residents will continue to be submitted to the DfE through the Submit Learner Data facility provided by the DfE. ILR files will be validated at the point of transmission against both definitions and validation rules. If any data fails the validation checks, then the learner record and all associated records for that learner will be rejected.
- Rejected records are not loaded into the national ILR database and so do not generate funding; these records are reported on the rule violation report. This will ensure that the data received by the North East MSA is accurate and complete as it will be used as the basis for the payments you will receive.
- As part of our assurance work, the North East MSA will be monitoring the data providers submit to the DfE from the individualised learner record (ILR) and the earnings adjustment statement (EAS). The North East MSA will carry out regular desktop reviews of how the national funding system, and the North East MSA funding rules are being complied with. Allowing us to identify errors in the devolved ASP funding claimed for North East MSA residents by providers, which might require further investigation.
- The North East MSA will expect providers to regularly review their software systems and processes to check for data accuracy. For 2026/2027 providers will continue to be able to access the ESFA systems, these are: the Submit Learner Data facility; Individual Learner Record Reports; and the provider data self-assessment toolkit (PDSAT); Funding and Monitoring Reports. These are available here - <https://guidance.submit-learnerdata.service.gov.uk/>

Individual Learner Record (ILR)

- Providers should refer to the 2026/2027 ILR Specification, validation rules and appendices to assist them with uploading the data correctly and in the format required by the DfE. The DfE will validate this data in line with their validation rules prior to it being forwarded to the North East MSA. If the details for the learner do not pass the DfE validation, the data will not be received by the North East MSA and will not generate funding.
- The North East MSA will base all monitoring and analysis on aims coded with a **Source of Funding code of 120**. This applies to both formulae and non-formulae funded provision. For general ASP activity delivered by Grant providers Source of Funding code 120 must be used for North East MSA residents.
- The funding for a learner for some aspects may not be generated completely within the ILR but also through the EAS return. The provider may be required to submit the learner data in the ILR, with an appropriate DAM code(s) and/or specific North East MSA learning aims, as well as populating the EAS claim according to the funding generated by that individual learner which can't be claimed via the ILR.

- Data recorded on the ILR return will continue to be used to calculate funding earned by providers and will enable the North East MSA, as part of its risk-based performance management arrangements, to compare actual volumes and earnings against the delivery plan/EAS agreed as part of providers Contract/Grant agreement.
- The data gathered through the ILR will enable the DfE to generate occupancy reports for both providers and the North East MSA. These will confirm that the learning aim is valid, run the funding calculation and confirm the actual funding earned. It will also be used to monitor progress against payment profiles.

DAM/LDM Code	Name	Purpose
DAM (D) 044	Skills Foundation	Identifies early-engagement and foundation-level aims.
DAM (D) 045	Skills Activation	Identifies activation aims supporting readiness for further learning/work.
DAM (D) 046	Skills for Work	Identifies job-focused or sector-specific aims.
LDM 375	SWAP	Identifies a Sector Based Work Academy
DAM (E) 055	Learning Progression	Learner moves to higher-level or next-step learning.
DAM (E) 056	Employment Progression	Learner improves employment status, hours, wage, or job role.
LDM A391	Earnings Below £32,000	Learner earns below the local earnings threshold at enrolment.
DAM (B) 34	Construction Project	To be used for all level 2 construction activity.
Special Projects DAM (B)	Multiple Codes Depending on Procured Activity	Provider will be given the correct code to use when finalising delivery plan.

- Please refer to Funding Rates and Coding document for further information.

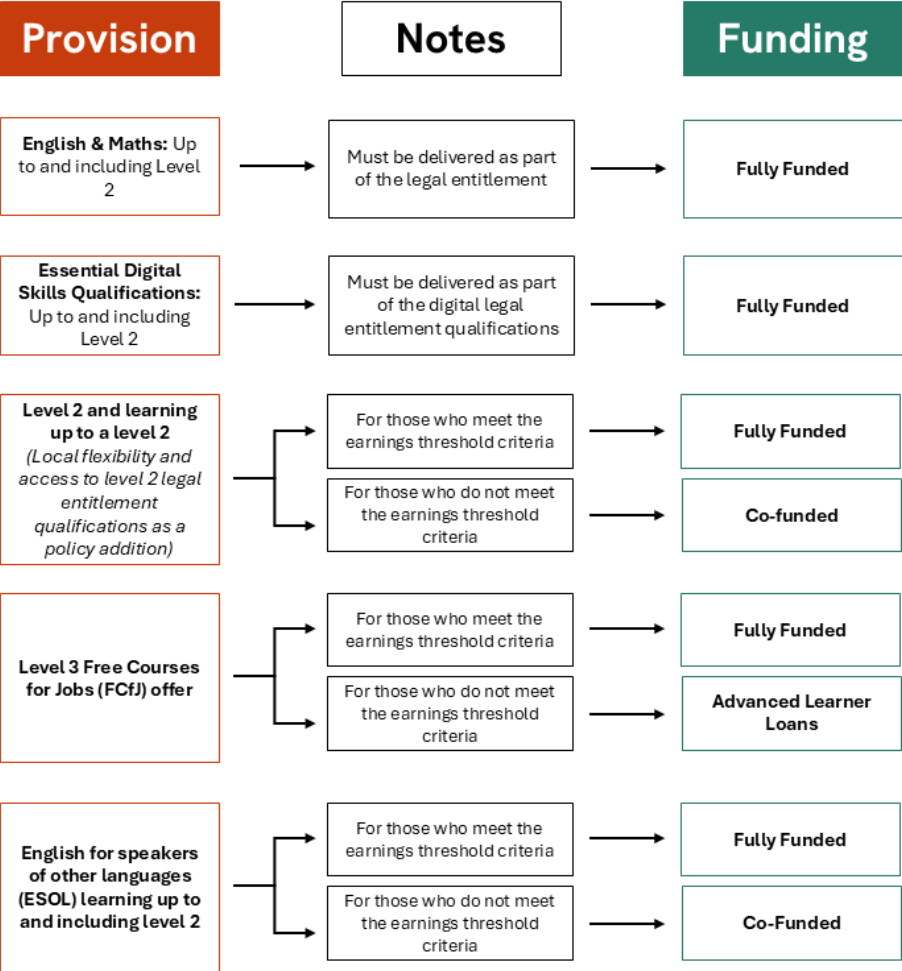
Annex E - Government Contribution Charts

Charts 1 and 2 show the level of government contribution for North East MSA funded ASP.

Chart 1: 19 to 23-year-olds

Provision	Notes	Funding
English & Maths: Up to and including Level 2	Must be delivered as part of the legal entitlement	Fully Funded
Essential Digital Skills Qualifications: Up to and including Level 2	Must be delivered as part of the digital legal entitlement qualifications	Fully Funded
First Full Level 2 (excluding Maths and English)	Must be delivered as part of the digital legal entitlement qualifications	Fully Funded
Learning aims up to and including level 2 (Local flexibility offer)	For those who meet the earnings threshold criteria	Fully Funded
	For those who do not meet the earnings threshold criteria	Co-funded
First Full Level 3 (level 3 legal entitlement)	Full level 3 must be delivered as part of the legal entitlement qualifications	Fully Funded
Level 3 Free Courses for Jobs (FCfJ) offer	For those who meet the earnings threshold criteria	Fully Funded
	For those who do not meet the earnings threshold criteria	Advanced Learner Loans
English for speakers of other languages (ESOL) learning up to and including level 2	For those who meet the earnings threshold criteria	Fully Funded
	For those who do not meet the earnings threshold criteria	Co-Funded

Chart 2: 24+



Glossary

Term	Description
20+ childcare	A category of learner support to assist learners aged over the age of 20 who are at risk of not started learning or leaving learning due to issues in obtaining childcare.
Adult Skills Programme (ASP)	The name given to all funded programmes under revised
Advanced learner loan	Advanced learner loans are available for individuals aged 19 or above to undertake approved qualifications at levels 3 to level 6, at an approved provider in England. Advanced learner loans give individuals access to financial support for tuition costs similar to that available in higher education and is administered by Student Loans Company.
Annual gross salary	Gross salary is the total income before any deductions are removed from that amount. This total income is usually described as an annual salary, and it is the total amount an employee will receive for work completed before tax of national contributions are deducted.
ASP funding methodology	The funding methodology for individuals aged 19 and over, participating in ASP learning.
Benefit Status Indicator (BSI)	Complete the Benefit Status Indicator (BSI) to identify the claimant is in receipt of Jobseeker's Allowance (BSI 1) Universal Credit (BSI 4), or Employment and Support Allowance (all categories) (BSI 5).
Break in learning	When a learner is not continuing with their learning but has told you beforehand that they intend to resume their learning in the future.
Care to Learn	A Department for Education scheme to assist young parents under the age of 20 with the childcare costs that may form a barrier to them continuing in education.
Components of regulated qualification	A subset of a qualification, which could be a unit.
Continuing learners	Learners who commenced learning in a previous funding year and remain in learning as of 1 August 2024.

Glossary

Term	Description
Devolution of adult education functions	The devolution of adult education functions refers to the transfer of certain Secretary of State functions in the Apprenticeships, Skills, Children and Learning Act 2009 to specified Mayoral Strategic Authorities by way of orders made under section 105A of the Local Democracy, Economic Development and Construction Act 2009, and the delegation of those functions to the Mayor of London under section 39A of the Greater London Authority Act 1999, in relation to their areas.
Digital Entitlement	The study of EDS qualifications for learners who have digital skills assessed at below level 1. Qualifications that are designated up to and including level 1 are Essential Digital Skills qualifications and digital Functional Skills qualifications.
Earnings adjustment statement (EAS)	The form providers need to fill in to claim funding that cannot be claimed through the Individualised Learner Record (ILR).
Earnings Threshold	The earnings threshold is an eligibility criteria, which enables learners to be fully funded if they earn below than £32,000
Education health and care (EHC) plan	An EHC plan replaces statements of special educational needs and learning difficulty assessments for children and young people with special educational needs. The local authority has the legal duty to 'secure' the educational provision specified in the EHC plan, that is, to ensure that the provision is delivered.
European Economic Area (EEA)	The European Economic Area, abbreviated as EEA, consists of the Member States of the European Union (EU) and 3 countries of the European Free Trade Association (EFTA) (Iceland, Liechtenstein, and Norway; excluding Switzerland). The Agreement on the EEA entered into force on 1 January 1994. Please refer to appendix A for more information.
European Union	A list of member states is available on the EU website .
Employment status (formerly employed)	The main types of employment status are: worker employee self-employed and contractor director office holder More information on employment status is available.

Glossary

Term	Description
English for speakers of other languages (ESOL)	The study of English by speakers of other languages.
North East MSA funded ASP	Funding you can claim from North East MSA for delivery of ASP eligible provision to individuals set out in the who we fund section.
Evidence pack	A collection of documents and information brought together to form a single point of reference relating to learning that is taking place. This must provide evidence to prove the learner exists, is eligible for funding, the planned learning to be provided, and that learning has been delivered.
Exceptional learning support	Learning support funding to meet the costs of putting in place a reasonable adjustment for a learner who requires more than £19,000 in a funding year.
Find a learning aim	Find a learning aim provides online services to find the latest information on available qualifications, non-regulated learning, apprenticeship standards, T Levels, and units. Standards will show you information on funding, dates, and common components. Qualifications and units show you funding streams for courses and the last date learners can start.
Full level 2	The following qualifications are designated full at level 2: General Certificate of Secondary Education in 5 subjects, each at grade C or above, or grade 4 or above a Technical Certificate at level 2 which meets or has previously met the requirements for 16 to 19 performance tables
Full level 3	The following qualifications are designated full at level 3: General Certificate of Education at the advanced level in 2 subjects General Certificate of Education at the AS level in 4 subjects QAA Access to Higher Education (HE) Diploma at level 3 Technical or applied general qualification at level 3 which meets or has previously met the requirements for 16 to 19 performance tables Core maths qualification at level 3

Glossary

Term	Description
Full or co-funding Indicator (FFI)	Indicates whether a learning aim is fully funded or co-funded in Adult Skills or Other Adult Funding.
Functional skills	Applied practical skills in English, maths and digital that provide the learner with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work.
Funding agreement	The agreement between the Secretary of State for Education acting through the Department of Education (DfE) and North East MSA who receive funding for education and skills training.
Funding model (11 and 38)	Identifies the funding methodology applied to the submission of finalised ILR data. For all Adult Skills Programmes across all strands, Funding Model 38 (Adult Skills) will be used. This model is formula-funded, meaning ILR data generates the associated funding rate. More information is available in the relevant funding guidance. 2026 to 2027 ILR Specification .
Funding year	The North East MSA's adult funding system operates on a funding year basis, which starts on 1 August and finishes on 31 July.
General Data Protection Regulation	The GDPR is retained in domestic law as the UK GDPR, but the UK has the independence to keep the framework under review. The 'UK GDPR' sits alongside an amended version of the DPA 2018.
Hardship	Within learner support, a category of support to assist vulnerable and disadvantaged learners to remove barriers to education and training.
Individualised learner record (ILR)	The primary data collection requested from learning providers for further education and work-based learning in England. The government uses this data to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education.
ILR specification	The ILR Specification is the technical documents, guidance and requirements to help providers collect, return and check ILR and other learner data.
Job outcome payments	Payments made for learners who are unemployed at the start of learning who cease learning to take up a job.

Glossary

Term	Description
Learner residency	We use the term ‘resident’ or ‘residence’ in this document for different purposes. Residence in the UK, EU and EEA has specific definitions in education law, and this is set out in the ‘residency eligibility’ section. Following the devolution of adult education functions, there is a new emphasis on residence in England, in determining and evidencing eligibility for North East MSA funded ASP - see ‘who we fund’ and ‘evidence’ sections. This means the permanent residency of an individual in England (i.e. not a temporary address for duration of learning taking place), immediately prior to enrolment determines eligibility for North East MSA funded ASP.
Learner support	Funding to enable providers to support learners with a specific financial hardship that might prevent them from being able to start or complete their learning.
Learning aim	Statements that describe the overarching intentions of a course.
Learning aim reference number	The unique eight-character code used to identify a specific learning aim.
Learning delivery monitoring (LDM)	A code used as part of the ILR to indicate participation in programmes or initiatives.
Learning planned end date	The date entered onto the individualised learner record (ILR) when the learner is expected to complete their learning.
Learning support	Funding to enable providers to put in place a reasonable adjustment, set out in the Equality Act 2010 , for learners with an identified learning difficulty and/or disability to achieve their learning goal.
Legal Entitlements	North East MSA funded ASP includes support for 4 legal entitlements to full funding for resident eligible adult learners. These entitlements are set out in the Apprenticeships, Skills and Children Learning Act 2009 and include: English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* - C or grade 4, or higher first full qualification at level 2 for individuals aged 19 to 23, and/or first full qualification at level 3 for individuals aged 19 to 23

Glossary

Term	Description
	essential digital skills qualifications, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1
Local flexibility	Regulated qualifications, and/or their components, that we fund, which is not part of the English and maths, or level 2 or level 3 legal entitlement offer. All regulated that is available for funding through the flexible local offer is listed on find a learning aim .
Non-accredited learning	Learning which is not subject to awarding organisation external accreditation in the form of a regulated qualification. It may be designed, delivered, and certificated by a provider or another organisation. This could include: independent living skills engagement and confidence building employability skills labour market re-entry essential skills (English, maths, digital) and ESOL
Ofqual	The Office of Qualifications and Examinations Regulation , which regulates qualifications, examinations and assessments in England.
Ordinarily resident	For funding purposes, a person who normally lives in the United Kingdom, are allowed to live there by law, and return there after temporary trips outside the country.
Performance management requests form (ASP)	This form must be used at the performance management reviews for exceptions to reductions or increases and first-time requests.
Payment & Performance Management Rules (PPMR)	This document sets out the North East MSA payment mechanisms and performance management rules.
Personal learning record (PLR)	A database that allows individual learners access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities, or employers.
Policy Entitlements	Alongside to the legal entitlements the North East MSA have policy entitlements allowing full funding for residency eligibility learners, over 19 years old, and meet

Glossary

Term	Description
	the earnings threshold criteria, these include: - level 2 and below local flexibility including ESOL - free courses for jobs - work placements - HGV - SWAP - Princes Trust
Recognising and recording progress and achievement (RARPA)	The Learning and Work Institute have published updated RARPA Guidance . This comprises a clear framework designed to support learners through the learning process, identifying key outcomes. It provides a robust approach to quality assurance and improvement of non-regulated provision with a focus on self-assessment that supports standards acceptable to the Office of Standards in Education (Ofsted). You can access further information from The Learning and Work Institute .
Recognition of prior learning (RPL)	An assessment method that considers whether a learner demonstrates that they can: - meet the outcomes for a qualification or a component of a qualification through knowledge, understanding, or - skills they already have and so do not need to undertake a course of learning for that component or qualification
Regulated Qualifications Framework (RQF)	The RQF provides a way of understanding and describing the relative level and size of qualifications. The RQF, operated by Ofqual, is a single regulatory framework containing a range of general, technical, and professional qualifications.
Residential Support	Support provided under learner support to learners receiving specialist provision, which involves a residential element, or to support learners who cannot receive provision locally.
Sector-based work academy programme (SWAP)	Sector-based work academy programme is a DWP scheme that offers pre-employment training, work experience placements, and a guaranteed job interview for recipients of Jobseeker's Allowance (JSA), Universal Credit (all work-related requirements group) or Employment and Support Allowance.
Self-declaration	A process where the learner can confirm something through his or her own signature.

Glossary

Term	Description
Start of learning	The date on which learning begins. We do not consider enrolment, induction, diagnostic assessment, or prior assessment to be part of learning.
State benefits	State benefits are contributions, both financial and non-financial, made by central and local government to individuals in certain circumstances to meet their day-to-day living needs.
Unique learner number	A 10-digit number used to match a learner's achievement to their personal learning record (PLR).
Work placement	A placement with an employer in a workplace setting as part of a continuing learner's offer.
Young people's funding methodology	The funding methodology for individuals aged 16 to 19 (and those aged 19 to 24 with an EHC plan). You can access 16 to 19 funding methodology on GOV.UK.

Footnotes

- Persons with the right of abode have the right to live and work in the UK without any immigration restrictions. Further details can be found in the [prove you have right of abode in the UK](#) on GOV.UK.
- This refers to the 7-year offer for UK nationals in EEA and Switzerland. More information on the 7-year offer can be found at [UK nationals in the EEA and Switzerland: access to higher education and 19+ further education](#) on GOV.UK.
- Further information, can be found at: [apply for an EU Settlement Scheme family permit to join family in the UK: Apply if you're joining a person of Northern Ireland](#) on GOV.UK.
- As defined in the Immigration Rules Appendix ["Victim of Domestic Abuse"](#) on GOV.UK.
- As defined in the Immigration Rules Appendix ["Bereaved Partner"](#) on GOV.UK.
- A child of a person who has received leave under section 67 of the Immigration Act 2016 will come under this bullet point where they have been granted "leave in line" by virtue of being a dependent child of such a person.

- A child of a person who has received Calais leave to remain will come under this bullet point where they have been granted “leave in line” by virtue of being a dependent child of such a person.

Annex F – Skills for Work Evidence

Employer-led provision must clearly demonstrate:

- **Curriculum co-designed with named employer(s)**
- **Confirmed live job vacancies**
- **Guaranteed interview for completers**
- **Pre-employment and sector-specific training linked to those roles**

1. Employer commitment (mandatory)

- Signed **employer agreement / letter of commitment**
- Named employer contact + role
- Confirmation they have:
 - Co-designed the programme
 - Will participate in delivery (input, site visits, interviews)
 - Will recruit from the cohort

2. Live vacancy evidence (critical)

- Copies/screenshots of job adverts OR internal vacancy list
- Number of vacancies vs planned cohort size
- Job descriptions + salary range
- Location (must reflect NE labour market link)

3. Guaranteed interview confirmation

Evidence should include:

- Written confirmation from employer providing evidence that all completers will be offered an interview
- Outline of recruitment process / selection stages

4. Curriculum alignment evidence

Evidence genuine co-design:

- Mapping of:
 - Learning aims → job roles
 - Skills delivered → role requirements
- Employer sign-off on:
 - Content
 - Skills outcomes
- Delivery plan showing:
 - Sector-specific skills

- Employability + interview prep (as required in rules)

5. Employer involvement in delivery

Expectation of activity like work trials, site visits, etc.

Evidence:

- Delivery plan including:
 - Employer sessions (talks, mock interviews)
 - Site visits / work trials
- Timetable showing when employer is involved

6. Outcome realism check (important for approvals)

Expectation of **~30% progression into work**

Evidence to show

- Expected recruitment numbers vs cohort size
- Historic recruitment (if repeat employer)
- Rationale for achieving outcomes

What we will *not* approve and will reject

- No named employer
- No live vacancies
- No interview guarantee
- Generic curriculum with no employer sign-off