



Adult Skills Fund and Level 3 FCFJ

Funding Rules

2025 to 2026

Version 2 – July 2025

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Introduction to the Adult Skills Fund (ASF)

The purpose of ASF is to support adult learners in the Tees Valley 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.

ASF also supports those employed adult learners in the Tees Valley to access the skills to retrain/up-skill which will lead them to progressing further in employment.

Within ASF, further provision for Learning for Inclusion is available that supports those adults to access learning that will support wider outcomes such as to improve health and wellbeing, equip parents/carers to support their child's learning, and develop stronger communities.

Purpose of the Document

This document applies to all providers who receive TVCA funded ASF via the Secretary of State for Education for the 2025 to 2026 funding year (1 August 2025 to 31 July 2026).

The funding rules set out the conditions of funding in accordance with section 101 of the Apprenticeships Skills Children and Learning Act 2009 and section 16 of the Education Act 2002. These can be accessed on GOV.UK.

These rules do not apply to:

- Apprenticeships
- Advanced learner loans
- Skills bootcamps
- UKSPF

This document forms part of the terms and conditions of funding and you must read them in conjunction with your funding agreement/contracts for services. You must operate within the terms and conditions of the funding agreement, these rules, rates and formula and the Individualised Learner Record (ILR) specification. If you do not, you may be in breach of your funding agreement with us.

Definitions and the [glossary](#) are included to assist in understanding the terminology and explain technical terms. We may make changes to these rules at any time.

Understanding the Terminology

The term ‘we’ refers to the Tees Valley Combined Authority (TVCA) When we refer to ‘you’ or ‘providers’, this includes colleges, training organisations, local authorities who receive TVCA funded ASF from us to deliver education and training to learners set out in the [who we fund section](#).

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:

Financial Memorandum

We use the terms ‘individual’ and ‘learner’ to cover those whose provision is funded by us.

When we refer to ‘TVCA funded ASF’ this is funding you can claim from us for delivery of ASF provision to learners set out in the [who we fund](#) section.

We use the term ‘provision’ or ‘learning’ or ‘learning aims’ ‘Bespoke Employer Led Skills Programmes’ to refer to TVCA funded ASF, whether it is a regulated qualification, or other learning that is not regulated including industry recognised skills.

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).

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.

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.

We may refer to this document as ‘funding rules’ or ‘the rules’.

Contact Us

If you have any questions after reading our funding rules, or if there's anything else you need help with, you can contact your Business Solutions Adviser.

General funding requirements

Principles of Funding

These rules apply in relation to all learners starting new ASF learning aims on or after 1 August 2025 as referenced in the [who we fund](#) section.

Continuing learners from 2024/25 will not be funded unless prior approval has been agreed.

You must not transfer funding between different funding agreements and the following budgets:

- ASF
- Learning for Inclusion
- Level 3 Free Courses for Jobs (FCFJ)
- Skills Bootcamps
- UKSPF

We will review and monitor whether ASF 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.

Failure to comply with funding rules could lead to action or intervention. The triggers for action and the type of action we may take is set out in these documents. This is in accordance with provisions in our funding agreements and contracts for services.

Who we Fund

We will fund:

- individuals resident in the Tees Valley and who are aged 19+ (you must check the postcode checker data set.)

From 1 August 2025, TVCA will simplify the residency eligibility rules for adult learners for both ASF and FCFJ, as set out below.

Note: Being eligible for ASF provision is not a guarantee of a place.

Note: There is no change to the eligibility criteria for asylum seekers.

From 1 August 2025 individuals will be eligible for ASF funding if they are ordinarily resident in the UK on the first day of learning, and the learning is taking place in England.

Individuals who are not eligible for funding

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
- they are an asylum seeker who has been here less than 6 months and aren't covered by the exemptions in the current rules

As in our current funding rules, providers must not fund learners who would not have enough time on their visa to complete their course and who do not intend to, or would not be eligible to, renew their visa.

You must check the eligibility of a learner, including where in Tees Valley they are resident, at the start of each learning aim and only claim funding for ASF and/or Level 3 FCFJ for eligible learners. Please refer to the glossary definition of 'learner residency' and the devolution [postcode checker data set](#).

Age on the first day of learning a learner must be aged 19 or older on 31 August within the 2025 to 2026 funding year to be TVCA funded.

All individuals aged 19 or over on 31 August who are continuing a programme they began aged 16 to 18 ('19+ continuers') will be funded through the [16 to 19-year-olds funding methodology](#) and with the relevant provider which is funded by DfE.

Duration

Learners will be eligible for ASF for the whole of the learning aim or programme if they are eligible for funding at the start.

For the 2025/26 academic year, all learners must be completed and achieved by 31 July 2026. TVCA will not continue to fund learners beyond this point.

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.

You must not fund a learner who is unable to complete a learning aim or programme of study in the time they have available.

Residency Eligibility

Individuals will be eligible for ASF if they meet the criteria in the [who we fund](#) section, the learning is taking place in England, and they fulfil the residency requirements set out in one or more of the categories below.

Unless otherwise stated, individuals must be ordinarily resident in the Tees Valley on the first day of learning to meet the residency requirements.

You must not actively recruit learners who live or work outside of Tees Valley.

We will fund individuals for learning that is delivered at an employee's workplace.

Learners who have applied for an extension or variation of their immigration permission

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.

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.

This is on the basis that the provider confirmed at enrolment that the learner intended to and will be eligible to renew their visa.

Learners with limited length visas

Providers must not fund learners who would not have enough time on their visa to complete their course and who do not intend to, or would not be eligible to, renew their visa. 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.

EEA and Switzerland frontier works

The EEA includes all the countries and territories listed in [annex A](#).

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.

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.

Family Members of EEA or Swiss nationals

Family members of an EEA or Swiss national can apply to EUSS after 30 June 2021 if they are joining them in the UK on or after 1 April 2021. They have 3 months to apply to EUSS from the date they arrive in the UK. They will have temporary protection and therefore be eligible for funding during those 3 months and pending the outcome of any EUSS application made during that period (and of any appeal). More information on [applying to join a family member in the UK](#) can be found on GOV.UK.

A 'family member' for these purposes is either:

- the husband, wife, civil partner of the EEA national (principal) or
- the dependant parent or grandparent of the principal or of the principal's spouse/civil partner or
- the child, grandchild, spouse/civil partner's child or spouse/civil partner's grandchild of the EEA principal who is either:
 - under 21, or
 - dependant on the principal and/or his/her spouse/civil partner

Irish citizens in UK or Republic of Ireland

Irish citizens in the UK or Republic of Ireland have an eligible residency status if they have been ordinarily resident in the UK and Islands, and/or Republic of Ireland for at least the previous 3 years on the first day of learning.

Irish citizens in EEA and Switzerland

Irish citizens have an eligible residency status if they:

- resided in the EEA or Switzerland by 31 December 2020 (or resident in the UK, having moved to the UK from EEA or Switzerland after 31 December 2017), and
- resided in the EEA, Switzerland, Gibraltar or the UK for at least the previous 3 years on the first day of learning and
- remained ordinarily resident in the UK, Gibraltar, the EEA or Switzerland between 31 December 2020 and the start of the course and
- are on a course which starts before January 2028

The EEA includes all the countries and territories listed in [annex A](#).

Other non-UK nationals

Non-UK nationals have an eligible residency status if they have been ordinarily resident in the UK and Islands for at least the previous 3 years on the first day of learning and:

- have permission granted by the UK government to live in the UK and such permission is not for educational purposes only, or

have obtained pre-settled or settled status under EUSS

Family members of an eligible person of Northern Ireland

Family members of an eligible person of Northern Ireland^{[footnote 3](#)} have an eligible residency status if:

- they have been living in the UK by 31 December 2020, and
- they have obtained pre-settled or settled status under EUSS, and
- the eligible person of Northern Ireland (principal) has been ordinarily resident in the UK by 31 December 2020, for at least the previous 3 years on the first day of learning

A 'family member' for these purposes is either:

- the husband, wife, civil partner of the person of Northern Ireland (principal) or
- the dependant parent or grandparent of the principal or of the principal's spouse/civil partner or

- the child, grandchild, spouse/civil partner's child or spouse/civil partner's grandchild of the principal who is either
- under 21, or

dependant on the principal and/or his/her spouse/civil partner

Long residence

A person who, on the first day of learning, has lived in the UK half their life or a period of 20 years or more, where this period of residence is ongoing, has an eligible residency status.

Learners may be able to prove this status via a confirmed entry date from Immigration Control, verified by the Home Office. Alternatively, they may provide evidence that they have been living in the UK for the period in question. This should ideally be from an official and independent source. Examples could include a signed letter on headed paper from someone in a leadership position at the school they attended, a letter from their GP, wage slips or a P45/P60. Providers funding learners under this category should obtain enough evidence to assure themselves beyond reasonable doubt that the learner was living in the UK for the necessary period.

Individuals with certain types of immigration status and their family members

Individuals with any of the statuses listed below, or leave under the listed schemes, has an eligible residency status and is exempt from the 3-year residency requirement rule. In relation to these categories, you must have seen the learner's immigration permission. This would include the biometric residence permit (BRP) and in some cases an accompanying letter from the Home Office.

Asylum seekers

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](#)

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](#)

No recourse to public funds conditions

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.

Learners in the armed forces

British armed forces personnel, Ministry of Defence personnel or civil and crown servants resident in England, who meet the criteria in the who we fund section, are eligible for DfE funded ASF where learning takes place in England.

Members of other nations' armed forces stationed in England, and their family members, aged 19 and over, are eligible for DfE funded ASF, set out in the who we fund section, if the armed forces individual is ordinarily resident in England on the first day of learning. We will not fund family members that remain outside of England.

Fees and charging

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.

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.

Qualifying days for funding

A learner must be in learning for a minimum number of days between their learning start date and learning planned end date before you can earn funding, including learning support. You can access this information in the [funding rates and formula guidance](#).

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

Recognition of prior learning (RPL)

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

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 1

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 our [ILR guidance](#).

Breaks in learning

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.

We will not fund a learner during a break in learning.

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](#).

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.

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

What we will not fund

We will not fund:

- qualifications, units or learning aims that are not listed on [find a learning aim](#) or on the TVCA list of qualifications approved for funding.
- provision to learners in custody – the [Ministry of Justice](#) funds prison education in England. Please note you can use your TVCA funded ASF to fund individuals released on temporary licence

- any part of any learner's learning aim or programme that duplicates provision they have received from any other source

training through TVCA funded ASF, where a learner is undertaking an apprenticeship and where that training will:

- replicate vocational and other learning aims covered by the apprenticeship standard or framework, including English and maths
- offer career-related training that conflicts with the apprenticeship aims
- be taking place during the apprentice's working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to repeat the same regulated qualification where the learner has previously achieved it, unless it is for any GCSE where the learner has not achieved grade 4 (C) or higher
- a learner to sit or resit a learning aim assessment or examination where no extra learning takes place

Skills provision that can be accessed via National Skills Funded programmes including Level 3 Free Courses for Jobs and Skills Bootcamps, or other funded programmes.

Stand-alone employability/prep for work provision (we expect that where this type of provision is necessary, it is embedded within the Bespoke Employer Led Skills Programme).

Incentives

Providers must not use TVCA adult skills funding to incentivise learners to enrol onto their courses.

Incentives are categorised as, but not limited to:

- direct financial payment to a learner
- vouchers - goods
- fees to e.g., undertake driving lessons/tests.
- Free travel passes (transport needs must be assessed on an individual basis)

Providers must accurately market/promote adult skills courses that reflect the purpose and content of the course.

Multiple Qualifications/Learning Aims

Providers must provide robust IAG to each learner to ensure that they are enrolled onto an appropriate skills programme/sector pathway of learning.

TVCA will not fund providers, where learners are simultaneously enrolled onto multiple learning aims that are not aligned to an appropriate programme of learning / sector skills pathway.

Guided Learning Hours (GLH)

GLH are assessed and standardised by Ofqual, and the number of hours and qualification undertaken, determines how much is paid for that qualification per learner.

GLH is defined as “Being taught or given instruction by a lecturer, tutor, supervisor, or other appropriate provider of education or training, or otherwise participating in education or training under the immediate guidance or supervision of such a person” From 1 August 2025, TVCA will set a minimum of 70% of GLH to be delivered against all funded learning aims/qualifications as set out in the Find A Learning Aim.

Guided Learning Hours may come into scope for audit and assurance and contract compliance.

Providers must keep evidence that reflects relevant and appropriate planned Guided Learning Hours (GLH) to be delivered per qualification.

This should include but not limited to Individual Learning Plans, attendance records, planned GLH should be based on the Scheme or Work/Curriculum Plan, with the number of delivery days, number of tutor led hours to calculate the planned delivery hours.

Providers must also record Planned Learning hours in the ILR for all learners. Where providers do not deliver a minimum of 70% of the GLH, TVCA reserves the right to reduce/remove funding.

Alternative Delivery Models

TVCA recognises that certain alternative delivery models would be more beneficial to residents if they were exempt from the normal GLH expectations, i.e. a minimum of 70% of the stated hours on the Find A Learning Aim website.

These delivery models would require certain evidence to be in place with a supporting rationale provided and providers.

Current proposed models which these may apply to are:

- Sector-based Work Academy Programmes (SWAPS)
- Part-time / evening courses or non-technical delivery (supporting rationale required)
- Specific employer led programmes.

Individual providers considering using alternative delivery models must submit a list of courses, including rational (where required) to TVCA for approval prior to the start of the year for these alternative course types to be considered as outside the normal GLH expectations.

Providers can update the list of courses during the academic year where new activity is being developed and implemented, and these must have prior approval from TVCA before activity commences.

Supporting rationale reflecting why the planned GLH are below the requirements as set out on the Find A Learning Aim site must be submitted to TVCA and should include why the GLH have been decreased in scale, for example:

- Feedback and evidence from employers
- Whether the course offer is directly employer or learner led
- Reasons why the level of GLH on the Find A Learning Aim site is excessive, i.e. non-technical course providing an overview of the sector / occupational areas
- What has worked in the past.

Distance Learning

Distance Learning is considered to be:

- where there is minimal or no interaction with a teacher or other students

- where learning is self-directed
- where there is a lack of individually targeted support and attention

Where funded learning aims/qualifications are accessed by learners by self-

Learning “Distance Learning” providers must record this in the ILR.

Providers must record within the learner evidence file, the reason for undertaking the learning and report on the achievement and outcomes of those learners undertaking distance learning.

Outcomes and Impact

It is important that all learners who access TVCA funded skills provision are able to utilise their learning in order to progress in their personal lives for example accessing courses funded through Learning for Inclusion, or for work/higher education through the skills funded courses.

Where possible, TVCA will use the ILR data to analyse the outputs and outcomes of the skills funding. However, it is acknowledged that the ILR cannot provide all the necessary data and information that TVCA wish to collect in order to understand the outcomes for learners and the impact that the skills funding is having both on the individual and meeting the skills needs of employers.

Therefore, additional data and information will be required from providers throughout the funding period, and the quality and accuracy of this data will be vital in measuring the outcomes and impact.

All Providers MUST complete and return their data collection templates within the timescales. Data returns will be assessed in line with the Quality Data Framework (set out in the Performance Management Policy) against the following criteria:

- Timeliness
- Completeness
- Accuracy

The submission dates for additional data are as follows:

- October
- January
- April
- September

TVCA aims to clarify the definition of progression for its funded providers as follows (please also refer to Performance Management Framework):

- I. employment including apprenticeships (within at least 12 weeks of completing their learning)
- II. in employment (such as promotion, increased responsibilities, increased pay as a result of the learning undertaken)
- III. next level learning for example:
 - non-regulated learning to regulated learning
 - Entry level to level 1 and within a sector subject area
 - Level 1 to level 2 and within a sector subject area
 - Level 2 to Level 3 and within a sector subject area
 - Level 3 short courses to full level 3 (FCFJ)
 - Level 3 to Higher Education
- iv. further learning where this is not necessarily the next level for English, Maths, ESOL e.g. a learner initially studies functional skills level 1 and moves to functional skills Maths entry level 3 or a learner studies ESOL speaking and listening at level 1 and moves to reading and writing at level 1.

Subcontracting

Subcontracting Definition:

TVCA considers the term 'subcontracting' to encompass all third-party arrangements you have with other Providers where the Provider is managing and/or delivering a proportion of your TVCA ASF funding award.

It is important to note that you cannot be a subcontractor and a direct funded Provider of TVCA to deliver ASF. TVCA define a delivery subcontractor as a separate legal entity that has an agreement with you to deliver any provision that we fund for Tees Valley residents. A separate legal entity includes any training Provider with a UKPRN including those in your group and other associated companies.

The term 'subcontractor' will also apply to any partnership, associate, third party, working relationships you have where your staff and/or provision is managed by another partner/institution.

TVCA will consider all the above as a subcontracting arrangement and as such will require all relevant detail in your 2025/26 Delivery Plan or supporting information. These arrangements must also be identified in the ILR using the Partner UKPRN Field. This type of partnership working will be reviewed at the relevant Provider Performance Meetings in terms of outcomes for learners and Provider quality assurance activities.

Where providers are purchasing commercial/industry specialist organisations to deliver elements of a BELP skills programme e.g. HGV driving, construction groundworks etc. they must provide a list to TVCA. These will be exempt from the ILR.

TVCA will review subcontracting for all Providers who subcontract. It will protect learners by looking for signs of non-compliance and checking with main Providers that the rules are being followed.

- It is vital that all directly funded organisations must properly monitor and control all subcontracted delivery. They must ensure that safeguarding is rigorously policed, that students enjoy the same entitlements as those learning in schools and colleges and that their education is of high quality.
- Lead Providers should set out in their organisation's strategic aims their reason for subcontracting, which must enhance the quality of their learner offer. Lead Providers are responsible for the selection and actions of their delivery subcontractors.

We expect Providers to maximise the amount of funding that reaches front line delivery of high-quality learning. Additional information describing our expectations of lead Providers when they subcontract are set out in TVCA's Subcontracting Policy.

You must take your own legal advice about the impact of Public Contracts Regulations 2015 on your recruitment of delivery subcontractors and have this advice available for inspection by us on request.

Your governing body or board of directors and your accounting officer (senior responsible person) must agree your policy for delivery subcontracting.

You must publish your policy for subcontracted delivery on your website.

As a minimum, your policy must include the following in respect of your delivery subcontracting:

- Your rationale for subcontracting, which must enhance the quality of your student offer. You must be clear about the educational rationale for your subcontracting position. We expect the rationale to meet one or more of the following aims:
 - enhance the opportunities available to learners
 - fill gaps in niche or expert provision, or provide better access to training facilities.
 - support better geographical access for learners
 - to offer an entry point for disadvantaged groups consideration of the impact on individuals who share protected characteristics.
- for each subcontractor, how you will determine a detailed list of your specific costs for managing them, specific costs for quality monitoring activities and specific costs for any other support activities offered by you to the subcontractor.
- for each subcontractor, how you will determine each cost is reasonable and proportionate to delivery of their teaching or learning and how each cost contributes to delivering high quality learning.
- timing for review of your policy for delivery subcontracting, which should be done annually.

We expect the policy, including the rationale to be published by 31 October 2025 It should be easy to navigate from the front page of your education and training web pages.

You must not subcontract to meet short-term funding objectives.

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.
- if your governing body/board of directors and your accounting officer (senior responsible person) determine the subcontractor as being of high quality and low risk, and provide written evidence confirming this.
- if you have robust procedures to ensure subcontracting does not lead to the inadvertent funding of extremist organisations
- if before agreeing to use them you have described your reason for subcontracting, listed all services you will provide and the associated costs when doing so

You are responsible for all the actions of your delivery subcontractors and partners connected to, or arising out of, the delivery of the services, which you subcontract.

Level and Percentage of Subcontracting

Providers must not subcontract more than 40% of their ASF or Level 3 FCFJ funding allocation.

All subcontracting must be effectively planned on an annual basis and detailed within your 2025/26 Delivery Plan. Your Delivery Plan must be approved by TVCA prior to the procurement of any subcontracting provision.

A subcontractor can only enter into an agreement with one direct delivery partner and therefore cannot be a named subcontractor to multiple Providers.

It is important to note that you cannot be a subcontractor and a direct provider. TVCA will use the ILR to monitor subcontracting levels against your Delivery Plan.

As detailed in the funding agreement and in the 2025/26 TVCA Provider Performance Management Framework, any change in subcontracting delivery increase or decrease from your agreed delivery plan must be approved by TVCA. In addition, if you intend to use a

subcontractor, not on your agreed Delivery Plan, you must inform TVCA immediately prior to any additional subcontracting procurement activity.

Selection and procurement of subcontracted provision

If you have not previously subcontracted ASF provision, you must get TVCA written approval before awarding a contract to a delivery subcontractor and retain evidence of this. You can find details about seeking written approval in the TVCA Subcontracting Policy 2025/2026.

When appointing delivery subcontractors, you must avoid conflicts of interest, and you must:

- write to us through your Business Solutions Adviser 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.
- not award the contract without prior agreement from TVCA
- keep as evidence both your request and our reply.

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 your Business Solutions Adviser.

You must not use a delivery subcontractor's presence on any public register or database, as an indicator that they are suitable to deliver to your specific requirements.

You must not enter into any subcontracting arrangements or increase the value of your existing arrangements prior to review and approval by TVCA and if any of the following circumstances apply. These conditions will continue until we are satisfied that the concerns have been addressed and the circumstances below no longer apply:

- if Ofsted has rated your leadership and management as inadequate
- if you do not meet the DfE Minimum Standards
- if the outcome of your annual financial health assessment, completed by TVCA/DfE is deemed inadequate, unless we have provided written permission in advance. *(this may be subject to change following the Ofsted Consultation process 2025)*

Entering into a subcontract

You must only award contracts for delivering provision funded by TVCA ASF to legal entities. If the legal entity is a registered company, it must be recorded as 'active' on the Companies House database.

You must not award a subcontract to any organisation if:

- it has an above-average risk warning from a credit agency.
- it has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed its statutory accounts are overdue.

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.

You must have a legally binding contract with each delivery subcontractor that includes all the terms set out in these rules and the sub-contracting policy document.

You must have a contingency plan in place for learners in the event that:

- you need to withdraw from a subcontract arrangement.
- a delivery subcontractor withdraws from the arrangement.
- a delivery subcontractor goes into liquidation or administration.

You must make sure that the terms of your subcontracts allow you to:

- monitor the delivery subcontractor's activity.
- have control over your delivery subcontractors.
- monitor the quality of education and training provided by all delivery subcontractors.

You must obtain an annual report from an external auditor. The report must:

- provide assurance on the arrangements to manage and control your delivery subcontractors.
- comply with any guidance issued by us.

You must supply us with a certificate signed by the external auditor and an authorised signatory to confirm you have received a report that provides satisfactory assurance. We may ask you to provide a copy of the full report prior to any award of a TVCA funding agreement.

Terms that you must include in your contracts with delivery of subcontractors

You must make sure your delivery subcontractors:

- meet the requirements set out in our funding rules.
- provide you with ILR data so your data returns to DfE, and then subsequently forwarded to TVCA for Tees Valley residents, 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 provision funded by the TVCA ASF
- give you sufficient evidence to allow you to:
 - i. assess their performance against Ofsted's Education Inspection Framework
 - ii. incorporate the evidence they provide into your self- assessment report.
 - iii. guide the judgements and grades within your self- assessment report.
- always have suitably qualified staff available to provide the education and training we fund through the ASF.
- 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 arises; irregular activity could include, but is not limited to:
 - i. non-delivery of training when funds have been paid.
 - ii. sanctions imposed on the delivery subcontractor by an awarding organisation.
 - iii. an inadequate Ofsted grade.
 - iv. complaints or allegations by learners, people working for the delivery subcontractor or other relevant parties.
 - v. allegations of fraud.

You must include in your contract with each delivery subcontractor:

- reference to your delivery subcontracting policy and where it can be found on your website.
- your reason for subcontracting with them
- a list of all services you will provide to them and the associated costs for doing so. This must include a list of individually itemised, specific costs for managing the subcontractor, specific costs for quality monitoring activities and specific costs for any other support activities offered by you to the subcontractor.
- a description of how each specific cost is reasonable and proportionate to delivery of the subcontracted teaching or learning and how each cost contributes to delivering high quality learning.

Monitoring of subcontracted provision

You must manage and monitor all of your delivery subcontractors to ensure that high-quality delivery is taking place that meets TVCA funding rules.

You must carry out a regular and substantial programme of quality-assurance checks on the adult education and training provided by delivery subcontractors, including visits at short notice and face-to-face interviews with staff and learners. The programme must:

- include whether the learners exist and are eligible.
- involve direct observation of initial guidance, assessment, and delivery of learning programmes.

The findings of your assurance checks must be consistent with your expectations and the delivery subcontractor's records.

Provider reports detailing the quality and outcomes of any subcontracted activity may be requested by TVCA at any time and must be provided to TVCA at all relevant TVCA Provider Performance Meetings for review.

TVCA will monitor your subcontracting provision at:

- in year Provider Performance Review Meeting
- end of year Performance Review.

The level of subcontracting will be monitored, and the quality of outcomes assessed.

TVCA will utilise the destination/outcome fields of the ILR and Provider reports relating to the quality of all subcontracting provision, to assess the quality of both direct delivery and all subcontracted delivery.

It is a condition of funding that all outcomes for Tees Valley learners, either directly delivered by you or your subcontractors, are recorded on the ILR.

Second-level subcontracting

You must not agree the use of any delivery subcontractor where this would require you to subcontract adult education and skills training to a second level. All of your delivery subcontractors must be contracted directly by you, and you may have more than one subcontractor and must be approved by TVCA. The restriction on the level of subcontracting is in place to ensure:

- that lead Providers retain clear and transparent accountability for the quality of training provision.
- that proper and appropriate controls are in place to manage the learner experience; and
- that value for money is achieved by mitigating funding being utilised for multiple tiers of subcontractor management.

Reporting subcontracting arrangements

TVCA Delivery Plans will contain details of your subcontractors and TVCA will use this information to create a list of subcontractors on your behalf.

The TVCA will publish annually a summary of Provider subcontracting activity and information including the names of subcontractors and the value of the TVCA adult learner subcontracted provision.

These details will be confirmed with at your TVCA performance monitoring meetings.

Subcontracting Fees and Charges

TVCA recognise that there is a need for TVCA funded Providers to charge a management fee for managing a subcontracting agreement and the operation of activities related to ensuring high quality provision and positive outcomes for adult learners.

Management fees should be realistic, and an accurate reflection of the management costs incurred by the TVCA funded Provider and declared in the Delivery Plan. TVCA do not expect management fees to be charged at more than 20%.

TVCA reserves the right to challenge the level of management fee applied and the activities delivered by the Provider to warrant the management fee.

Distributing income between you and your delivery subcontractors

You must regularly review your delivery subcontracting fees and your governing body or board of directors and your accounting officer must sign a charges policy for this.

You must publish your delivery subcontracting fees and charges policy on your website before entering into any subcontracting agreements for the 2025 to 2026 funding year.

As a minimum, you must include the following in your delivery subcontracting fees and charges policy:

- Your contribution to improving your and your delivery subcontractor's quality of teaching and learning.
- How you will identify the support required and associated costs for different delivery subcontractors.
- The typical percentage range of fees you retain to manage delivery subcontractors, and how you calculate this range.
- The support delivery subcontractors will receive in return for the fee you charge.
- If appropriate, the reason for any differences in fees or support provided to different delivery subcontractors.
- Payment terms between you and your delivery subcontractors, the timing of payments in relation to delivery and timescale for paying invoices and claims for funding received.
- How and when you communicate and discuss your policy with current and potential delivery subcontractors.

- Timing for review of your delivery subcontracting policy.
- Where you publish your subcontracting policy.

You must tell us the actual level of funding paid and retained for each of your subcontractors within your Delivery Plan.

All subcontracting activity must be approved by TVCA prior to any delivery of any subcontracting provision.

Any changes to your subcontracting partners or increases in subcontract values must be agreed and approved in writing by TVCA via your Provider Performance and Relationship Officer.

The actual level of funding paid and retained for each of your delivery subcontractors in 2025/26 will be reviewed in-year at your Provider Performance Meetings and at your Annual Performance Review.

You must include the following in your published ASF delivery subcontractor fees and charges:

- Name of each delivery subcontractor.
- The UK Provider Reference Number of each delivery subcontractor, if appropriate.
- Contract start and end date for each delivery subcontractor.
- Funding we have paid to you for ASF delivery for Tees Valley residents by each delivery subcontractor in that funding year.
- Funding you have paid to each delivery subcontractor for ASF delivery in that funding year.
- Funding you have retained in relation to each delivery subcontractor's ASF delivery for that funding year.
- If appropriate, funding each delivery subcontractor has paid to you for services or support you have provided in connection with the subcontracted delivery.

Third Party Arrangements – other qualification/skills arrangements

Where providers are contracting with third party/commercial organisations to provide Industry qualifications/skills provision including licence(s) to practice, as part of an agreed

programme of skills e.g. Bespoke Employer Led Skills Programmes, approval must be sought in advance from TVCA and these should be recorded in your Delivery Plan or separately to TVCA.

Evidence

You must hold evidence to assure us that you are using TVCA funded ASF appropriately. Most evidence will occur from your normal business process. You must make sure enrolments for TVCA funded ASF 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.

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.

[Annex E](#) contains the details on the evidence required.

Evidence Pack

The evidence pack must contain evidence to support the TVCA ASF funding claimed and must be available to us if required.

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.

- If applicable, the evidence pack must confirm the following:
- All information reported to the DfE for Tees Valley residents in the ILR and the TVCA Earnings Adjustment Statement (EAS), and if it applies, the supporting evidence for the data you report for each learner.

- Your assessment and evidence of eligibility for funding and a record of what evidence the learner has provided.
- All initial skills and diagnostic assessments
- A robust initial assessment with all eligible learners to establish their prior knowledge, skills, and experience.
- Consult the national Provider Learner Record System (PLR) to confirm a learner's prior learning and accurately record this in the learner evidence pack and the ILR.
- The Tees Valley Combined Authority will not fund learning that has already taken place.
- All pre-course and any ongoing IAG activity.
- The Contractor shall provide impartial information, advice and guidance that is clear and easily accessible to Learners and will help Learners to understand the opportunities and support available to them about education, training and connected matters (including local employment linked to sector priorities, current employment market so that Learners are clear what opportunities the training will provide for them:
- Where one of the main objectives of the Provision is to deliver impartial information and advice, the Contractor must achieve the Matrix Standard accreditation within six (6) months of the Agreement Date and maintain such accreditation for the Contract Period.
- Where the Provision is delivered by a sub-contractor on behalf of the Provider, these requirements must be applied to the sub-contractor. This does not apply where the Contractor retains responsibility for the delivery of information, advice, and guidance to the Learners.
- It is the responsibility of the Contractor to ensure any sub-contractor delivering the Services on its behalf has Matrix Standard accreditation.
- The Contractor shall be aware that, once achieved, Matrix Standard accreditation is valid for three (3) years. The Contractor shall demonstrate its continuous improvement via annual continuous improvement checks with the matrix Standard assessor.
- Evidence that the Personal Learning Record (PLR) has been used to check prior learning.

- Information on prior learning that affects the learning or TVCA funding of any of the learning aims or programme.
- For 'personalised learning programmes', for example, learning not regulated by a qualification, full details of all the aspects of the learning to be carried out, including supporting evidence of the number of planned hours reported.
- 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, including details of any learner or employer contribution.
- Support needs identified, including how you will meet these needs and the evidence of that.
- That learning is taking or has taken place and records are available.
- A learner's self-declarations as to what state benefit, they claim.
- A learner's self-declarations on their status relating to gaining a job.

All records and evidence of achievement of learning aims or learning programme. This must be available within three months of you reporting it in the ILR for Tees Valley residents.

You must keep evidence that the learner is eligible for funding. 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, it must clearly identify who it is. This must match the information reported to us in the ILR for Tees Valley residents.

Confirmation and signatures

The learner or employer 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, we do not specify which should be used, only that a secure process to obtain and store signatures is followed:

- an electronic signature is defined as any electronic symbol or process that is associated with any record or document where there is an intention to sign the document by any party involved. An electronic signature can be anything from a check box to a signature
- a digital signature is where a document with an electronic is secured by a process making it non-refutable. It is a digital fingerprint which captures the act of signing by applying security to a document. Usually documents which have a digital signature embedded are extremely secure and cannot be accessed or amended easily

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 that 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 TVCA funded ASF when directly related learning starts. This would not include enrolment, induction, prior assessment, diagnostic testing, or similar learning.

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 your awarding organisation's procedure for claiming the relevant certificate(s) and ensure the learner receives them. You must evidence this has happened in the learner evidence pack.

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 learning.

Individualised Learner Record

You must accurately complete all ILR fields as required in the 2025 to 2026 ILR Specification, published by the DfE, even if they are not required for funding purposes.

The ILR must accurately reflect the learning and support (where applicable) you have identified, planned, and delivered to eligible Tees Valley residents. You must not report inaccurate information that would result in an inflated claim for funding.

Where your data does not support the funding claimed, we will take action to get this corrected and could recover funds you have overstated.

All destinations and/or progression details are a mandatory requirement for Tees Valley learners. Destination and progression must be detailed in the defined fields within the ILR. This is a condition of funding.

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.

TVCA funded ASF

TVCA funded ASF includes support for 4 legal entitlements to full funding for eligible adult learners.

The legal entitlements for level 2 and level 3 follow the definition of fullness in the [full level 2](#) and [full level 3](#) sections respectively. 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.

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 GCSE grade A* - C or grade 4 or higher, and where they have previously attained the qualification and are currently being assessed at below level 4 and/or
- 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

A 10% increase is applied in the funding rates for all English, maths and digital skills qualifications associated with the Legal Entitlements.

To qualify for the 10% uplift, the qualifications must be fundable and listed on Find a Learning Aim under category 39 – ‘Legal Entitlement-English and Maths’ or category 42 – ‘Digital Skills’.

If an individual meets the legal entitlement eligibility criteria, you must not charge them any course fees.

Eligible learners exercising their legal entitlement must be enrolled on a qualification that we have approved for funding through the relevant entitlement. For the funding year 2025 to 2026, Providers can find the qualifications we have approved in the DfE list of qualifications approved for funding, for the following entitlement offers:

- English and Maths and/or
- Essential digital skills qualifications and/or
- Level 2 and Level 3.

Learners who meet the residency eligibility criteria in Section 1 and are below the earnings threshold criteria will also be fully funded for qualifications within policy entitlements.

Learning for Level 2 and below (including the full level 2 entitlement)

We will fully fund learners who meet the residency eligibility, are aged 19 and over, and who meet the definition of being below the earnings threshold, to undertake learning:

- up to and including level 2 qualifications from the local flexibility offer and/or qualifications from the full level 2 legal entitlement qualification list

Learners aged 19 to 23 who have not previously achieved a full level 2 qualification must be fully funded, regardless of the earnings threshold, if they choose a qualification from the level 2 legal entitlement list. You must not charge them any course fees.

Learners who have exhausted their first full level 2 entitlement and do not meet the definition of being below the earnings threshold will be co-funded, unless they are undertaking the learning aim as a career change.

For the funding year 2025 to 2026, providers can find the qualifications we have approved in the [DfE list of qualifications approved for funding](#).

Learning at Level 3 legal entitlement and the level 3 free courses for jobs

Learners aged 19 to 23 who have not previously achieved a full level 3 qualification must be fully funded, regardless of the earnings threshold, if they choose a qualification from the level

3 legal entitlement list (the Level 3 FCFJ qualifications list also applies to 19-23 year olds) . You must not charge them any course fees.

For the funding year 2025 to 2026, providers can find the qualifications we have approved in the [DfE list of qualifications approved for funding](#),

Learners who meet the residency eligibility, have exhausted their first level 3 legal entitlement and do not meet the definition of being unemployed, below the earnings threshold, and who do not meet the career change have the option of funding through an [advanced learner loan \(ALL\)](#).

Level 3 Free Courses for Jobs (FCFJ)

Free courses for jobs (FCFJ) is a targeted level 3 offer to support Tees Valley residents aged 24+ and who do not already hold a level 3 qualification.

The offer includes:

- 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 FCFJ qualifications available via the [DfE list of qualifications approved for funding](#)
- an uplift is payable at 2 different rates and follows the earnings methodology set out in the [funding rates and formula document](#). This uplift should be used to support delivery of the level 3 FCFJ offer

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.

NB: Continued Change for 2025/26

We will fully fund learners who meet the residency eligibility as part of this offer where they:

- are aged 24+ or above on 31 August within the 2025 to 2026 funding year; and

- enrol on the level 3 FCFJ qualifications approved for funding and
- and do not already have a level 3 qualification

You must not claim for TVCA funded ASF funding where learners are already being funded through an advanced learner loan (ALL), or a [skills bootcamp](#) (where applicable), for qualifications that are in the FCFJ offer.

Where a learner is aged 24+ and does not meet the Level3 FCFJ criteria, then they may be considered to be funded via the ASF, subject to eligibility.

You must:

- use LDM code 378 and FFI code 1 to claim for funding for learners who meet the requirements above
- use LDM code 378, FFI code 1, and LDM code 382 when recording learners who meet the earnings threshold criteria and continue in learning from academic year 2023/24
- record the employment status of learners accessing the offer in the ILR

The only qualifications that can be delivered as part of the FCFJ offer must fall within the National Skills Fund Level 3 Free Courses for Jobs categories (45, 46, 48, 49 and 56). Providers have the option to make official requests for learning aims to be added to the local flexibility offer (category 56) - list of available qualifications: [Local Flexibility L3 Qualifications](#)

English, maths and digital for those aged 19 or older

English and maths

We 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.

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.

You must not fund an apprentice for English and/or maths from TVCA funded ASF.

You must not enrol individuals on qualifications which are not necessary for progressing towards a GCSE or Functional Skill level 2.

Digital Skills

We will fully fund eligible learners, including those who are employed, for the following qualifications:

- Essential Digital Skills Qualification (EDSQ) up to and including level 1
- Digital Functional Skills Qualifications (DFSQ) up to and including level 1

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 1

This will be applied from 1 August 2025 for the 2025/26 academic year.

General funding principles for English, maths and digital entitlement

You must:

- carry out a thorough initial assessment to determine an individual's current level using current assessment tools based on:

- the national literacy and numeracy standards and core curriculums or DfE published English and Maths Functional Skills subject content

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
- 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

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

Local flexibility

TVCA will continue to support the delivery of flexible tailored provision for adults, including qualifications and components of these and/or nonregulated learning, up to level 4 – we call this 'Bespoke Employer Led Skills Programmes'.

Bespoke Employer Led Skills Programmes (BELP)

TVCA supports programmes which are directly linked to employment vacancies with employers.

These programmes can include qualifications from the DfE list of approved qualifications Find a Learning Aim or can be qualifications/skills courses that are currently unfunded, but are required by employers, to enable a Tees Valley resident to move into employment. This can include a programme of skills including a licence to practice which could be funded as part of the Tees Valley local flexibilities. This must be based on evidence of need and must be linked directly to employment opportunities.

Where the employer led skills programmes support the individual to acquire a “licence to practice” or a non-funded element you must consult TVCA and seek prior approval before delivering and using these codes in the ILR.

Career Change (Second Level 2 and 3 Qualifications)

Learners aged 19+ who are seeking to retrain/change career to secure employment in a priority sector/high demand sector, and who have already achieved a level 2 or level 3 qualification will be fully funded to undertake a second level 2 or 3 qualification from the approved list [Career Change Aims](#)

Providers can seek to add qualifications to this list. All additional qualifications must be approved by TVCA prior to enrolment. Please contact your Business Solutions Adviser.

Providers can fully fund learners, who are seeking to change careers. The career change must be linked to a Tees Valley sector priority area/sector of high demand replacement jobs:

- Health and Social Care
- Creative Industries and Visitor Economy
- Construction, Planning and the Built Environment
- Logistics
- Digital and Technologies
- Business and Professional Services
- Bio and Life Sciences
- Chemicals and process
- Clean Energy, Low carbon, and Hydrogen
- Advanced Manufacturing (including Industrial Digitalisation)
- Professional, Business and Financial Services

You must be satisfied the learner is undertaking the skills to improve their prospects of entering employment within one of these sectors.

Where the learner is 19-23 seeking to change career and this will be their first level 2 or 3 they will also be able to access a qualification from the list of local flexibility qualifications Career Change Aims DAM Code 30 should be used in the ILR to record this.

You must record the evidence of career change within the Learner Evidence Pack, track and record the learner destination and employment outcome for a 3 month period following completion of the training, as a minimum.

TVCA contribution charts

Charts 1 and 2 show the level of contribution for TVCA funded ASF and Level 3 FCFJ.

Provision	19 to 23-year-olds	Notes
English and maths, up to and including level 2	Fully funded	Must be delivered as part of the legal entitlement qualifications
Essential Digital Skills Qualifications up to and including level 1	Fully funded	Must be delivered as part of the Digital legal entitlement qualifications list
First Level 2 (excluding English & maths and Digital)	Fully funded	<p>We will fully fund learners who meet the residency eligibility, are aged 19 and over, and who meet the definition of being below the earnings threshold or unemployed, to undertake learning:</p> <ul style="list-style-type: none"> - up to and including level 2 qualifications from the local flexibility offer and/or - qualifications from the full level 2 legal entitlement qualification list <p>Learners aged 19 to 23 who have not previously achieved a full level 2 qualification must be fully funded, regardless of the earnings threshold or employment criteria, if they choose a qualification from the level 2 legal entitlement list. You must not charge them any course fees.</p>
Learning aims to progress to a full level 2 – up to and including level 1	Fully funded	Must be delivered as entry or level one provision from local flexibility
Level 3 legal entitlement (learners first full L3)	Fully funded	First full level 3 must be delivered as part of the legal entitlement qualifications
Level 3 Free Courses for Jobs	Fully funded	Learners without a full level 3 or above can access a qualification on the Level 3 Free Courses for Jobs qualification list but they will be funded from ASF.
English for speakers of other languages (ESOL) learning up to and including level 2	Fully funded	For those eligible learners.
Learning aims at Level 2 and Level 3 where the learner has already achieved a first full level 2, 3 or above	Fully funded	For those eligible through unemployed, low wage or meet 'Career change' criteria
	Co-funded	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage or 'Career change'

Provision	24+	Notes
English and maths, up to and including level 2	Fully funded	Must be delivered as part of the legal entitlement qualifications list
Essential Digital Skills Qualifications up to and including level 1	Fully funded	Must be delivered as part of the legal entitlement qualifications list
Level 2 (excluding English and maths)	Fully funded	For those eligible through unemployed, on a low wage or meeting Career Change
	Co-funded	For those who do not meet the definition of unemployed, low wage or Career change
Learning to progress to level 2	Fully funded	For those eligible for their first full level 2 through unemployed or low wage
	Co-funded	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage - Career Change
Level 3 Free Courses for Jobs	Fully funded	Learners without a full level 3 or above accessing a qualification on the Level 3 Free Courses for Jobs qualifications list
English for speakers of other languages (ESOL) learning up to and including level 2	Fully funded	For those eligible learners.
Learning aims up to and including level 2, where the learner has already achieved a first full level 2, or above	Fully funded	For those eligible through unemployed or on a low wage
	Co-funded	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage
Learning aims at Level 2 and Level 3 where the learner has already achieved a first full level 2, 3 or above	Fully funded	For those eligible through unemployed or on a low wage or 'Career Change'
	Co-funded	For those who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage or 'Career Change'

Definitions used in the adult skills fund

Unemployed

For funding purposes, we define a learner as unemployed if one or more of the following apply:

- They receive Jobseeker's Allowance (JSA), including those receiving National Insurance credits only
- They receive Employment and Support Allowance (ESA)
- They receive Universal Credit, and their take-home pay as recorded on their Universal Credit statement (disregarding benefits) is less than £952 a month (learner is a sole adult in their benefit claim) or £1534 a month (learner has a joint benefit claim with their partner). These learners are still expected to be recorded in the ILR return as working, specifying the employment intensity and benefit status, utilising the Low Wage threshold methodology.
- They are released on temporary licence, studying outside a prison environment, and not funded by the Ministry of Justice.

Providers may also use their discretion to fully fund other learners if either of the following apply. The learner:

- receives other state benefits and their take-home pay (disregarding benefits) is less than £952 a month (learner is sole adult in their benefit claim) or £1534 a month (learner has a joint benefit claim with their partner), and
- wants to be employed, or progress into more sustainable employment, and their take-home pay (disregarding benefits) is less than £952 a month (learner is sole adult in their benefit claim) or £1534 a month (learner has a joint benefit claim with their partner), and you are satisfied identified learning is directly relevant to their employment prospects and the local labour market needs.

Earnings threshold

TVCA will support adults (funded via Adult Skills Fund) to up-skill in order to support them progressing in work (increased responsibilities/promotion/increase in salary/career change or

progression/remain in employment), You may fully fund learners, who are employed, or self-employed, and would normally be co-funded for provision, up to and including level 3. You must be satisfied the learner is both:

- eligible for funding; and
- earns less than £33,210 annual gross salary* and
- requires the training to support the outcomes (these must be recorded in the learner evidence pack and the data collection template)

You must have seen evidence of the learner's gross annual wages in these circumstances. This could be a wage slip or Universal Credit statement within 3 months of the learner's learning start date, or a current employment contract which states gross monthly/annual wages. Please note this is not an exhaustive list, but you must evidence your decision to award full funding to an individual who would normally be eligible for co-funding.

For learners who meet the requirement, you must record the learning aim as you normally would and set the full or co-funded indicator (FFI) to fully funded. You will also need to enter codes 010 and 023 in the Devolved Area Monitoring (DAM) fields for the learning aim to be recognised as a low wage pilot learner.

** Where the learner does not meet the eligibility criteria for earnings threshold, TVCA*

will consider relaxing this rule on a case-by-case basis where there are specific skills need for instance linked to a priority sector or Bespoke Employer Led Skills need.

Sector Based Work Academy Programmes (SWAP)

The Sector-Based Work Academy Programme is designed to help Jobcentre 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. Sector Based Work Academies can last up to 6 weeks and has 3 main components:

- pre-employment training
- work experience placement

- a guaranteed job interview.

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

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

Providers are part of the sector-based work academies local design process and are informed when to expect referrals and how many.

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 ESFA funded ASF funded pre-employment training.

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).

Learning in the workplace

We will fund learning in the workplace where there is evidence of need from the employer. We will not fund learning in the workplace that is a statutory requirement of the employer.

Kings Trust (Previously Prince's Trust)

The Prince's Trust Team Programme is a 12-week course designed to improve confidence, motivation and skills for eligible 16 to 25-year-olds.

In order to deliver the programme, you must get approval from [The King's Trust | Confidence, courses, careers](#)

For eligible Tees Valley learners aged 19 to 25, we fund the programme through the ASF 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 DfE's 16 to 19 funding methodology, with further information available in the [rates and formula document](#).

English for speakers of other languages (ESOL)

ESOL qualifications are part of the ASF learning at level 2 and below offer, please refer to this section for eligibility criteria.

Providers offering ESOL qualifications may need to deliver additional learning to individual learners that incurs additional cost above the qualification rate. You can access information on how to do this in the [funding rates and formula guidance](#).

Learners with learning difficulties and/or disabilities

We will fund learners with learning difficulties and/or disabilities as set out in the [Apprenticeships, Skills, and Children and Learning Act 2009](#).

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.

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.

Learners with an education, health and care (EHC) plan

To access provision and support costs you must inform us before the start of the 2025 to 2026 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

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

If a learner has an EHC plan, you must report this in the 'Learner funding and monitoring' fields in the ILR.

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.

Learning for Inclusion

This will be a ring-fenced budget for Local Authority Providers only and will be based on the needs of the Local Authority area.

This will have a focus on:

- engaging learners to build confidence with English, maths and digital with the aim of progressing to further learning
- learning that aims to:
 - preparation for further learning
 - preparation for employment

- improving essential skills (English, maths and digital)
- equipping parents/carers to support children
- learning for personal development aimed at addressing the specific needs of adults within a Local Authority area such as isolation, social exclusion, mental health and well-being.
- learning that aims to improve and develop stronger community engagement.
- learning that supports local voluntary and other third sector organisations to develop their capacity to deliver learning opportunities for adults residing in those disadvantaged neighbourhoods.

The Learning for Inclusion offer should provide outreach support and programmes of learning that will engage those affected adults and assist in addressing some of these types of issues.

Providers will be required to submit a Delivery Plan for the Learning for Inclusion provision. The Delivery Plan should detail:

- the evidence of need and rationale for this type of provision
- how the provision will be implemented, including how partners, other services and stakeholders will contribute to the delivery
- what impact the proposed learning programmes will aim to achieve including impact on the individual and the area, and how this will be measured and evidenced
- the number of adults you expect to engage in this learning.
- the funding being requested.

Learning for Inclusion will follow the non-formula Funding Model 10.

You must 'attribute costs' for eligible learners, up to the value of your non-formula Learning for Inclusion allocation. This should include the cost of delivering learning and any support costs, in line with learner and learning support, you must record these costs in the learner's evidence pack.

You are not able to move any of your ASF formula funded allocation to support Learning for Inclusion or move funding from Learning for Inclusion to support ASF formula funded allocations.

You can support learners aged under 19 if they meet both of the following, they are:

a parent, carer or guardian attending a family learning or family, English, Maths, or language course.

You must not use non-formula Learning for Inclusion funding for learning that is eligible for funding through other funding routes such as Funding Model 35, Advanced Learner Loan etc.

Partnership working

Partnership working underpins the Learning for Inclusion objectives and is critical to developing and delivering an effective learning offer in a given locality.

You must engage and work closely with a wide range of relevant partners, TVCA and stakeholders in your local area to help shape your learning offer to engage specific groups. These could include specialist partners and voluntary and community sector (VCSE) organisations.

Learning for Inclusion funding will be reconciled against the Learning for Inclusion allocation line at the end of the funding year. You must repay funding that has not been used for Learning for Inclusion or where its use cannot be evidenced.

You must include the use of your learning for inclusion funding to cover learning and learner support costs up to the value of your learning for inclusion allocation. If you do, you must:

- claim for learning and learner costs through the final funding claim and follow the policy in line with the support funding section
- record these costs in the learner's evidence pack and maintain evidence that support the costs for audit purposes

We will monitor learning for inclusion provision through the ILR and claim submissions and may require you to provide information on your delivery where it does not represent value for money.

Learning for Inclusion courses are delivered and reported on the ILR under the following purpose types, please refer to the 2025 to 2026 ILR specification for further details:

- Engaging and/or building confidence
- Preparation for further learning
- Preparation for employment
- Improving essential skills (English, ESOL, maths, digital)
- Equipping parents/carers to support children's learning
- Health and well-being
- Developing stronger communities

Learner outcomes of Learning for Inclusion courses are reported on the ILR. Please refer to the [2025 to 2026 ILR specification](#) for further details.

Learner data for Learning for Inclusion bitesize provision aimed at engaging/building confidence will be submitted as a separate return to TVCA (in line with the ILR submission timescales), and the funding will be paid on an actual basis on cost per learner of £120.

The eligibility principles we apply to learning for inclusion provision are as follows:

- it must not be provision linked to UK visa requirements
- it must not be provision linked to occupational regulation unless there is an agreed concession in place
- it must not be learning, for example, 'induction to college', that should be part of a learner's experience
- it must not be used primarily or solely for 'leisure' purposes
- it must not be a non-regulated version of a regulated qualification. That includes regulated qualifications that are not currently approved for funding

- it must not be above notional level 3

Where you are delivering learning for inclusion, you must ensure you have appropriate and robust quality assurance processes in place. For instance, you could follow ‘the recognising and recording progress and achievement (RARPA) cycle’. Further [information on RARPA](#) is available from the Learning and Work Institute.

Providers must have a fair and transparent fees policy in place. Providers are asked to collect fee income from people who can afford to pay and use where possible to extend provision to those who cannot. Your fees policy must be available on your website and, where appropriate, in the venues where you deliver Learning for Inclusion.

Support funding

TVCA-funded ASF’s 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. Where you identify that a learner has a learning difficulty and/or disability, or a financial barrier, your TVCA - funded ASF allocation enables you to claim learning support and/or learner support funding to meet the additional needs of learners.

Support for learners undertaking Learning for Inclusion is funded from within the Learning for Inclusion allocation.

Learning support

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.

Learning support must not be used to deal with everyday difficulties that are not directly associated with a learner’s learning on their programme.

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

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 \(EAS\)](#). For any costs over £19,000 please see the next section for exceptional learning support.

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.

Exceptional learning support claims above £19,000

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.

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 document](#).

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.

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.

Learner support

Learner support is available 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
- Residential Access funding – to support learners where they need to live away from home in order to access provision.
- You must not claim more than 5% of your total learner support as administration expenditure. 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.
- 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 ASF or loans bursary to support specific provision funded by either ASF or ALL where a learner is on 2 courses at the same time

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

- essential equipment or facilities if the learner is eligible for full funding
- 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
- to pay attendance allowances or achievement and attendance bonuses

Hardship

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)
- transport costs (but not make a block contribution to transport partnerships)
- examination fees
- accreditation fees, professional membership fees and any fees or charges due to external bodies
- your registration fees
- to support learners, including the work placement element

In exceptional circumstances, you can use hardship funds to assist with course fees for learners who need financial support to access or stay in learning.

20 + Childcare

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

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

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

Residential access funding

You can use residential access funding to support TVCA funded ASF 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. You must:

- set out the criteria and procedures for considering and agreeing applications for support from your residential access funds
- only pay for travel costs for learners who are awarded residential access funding in exceptional circumstances
- only claim residential access funding for the period the learner is resident, this could be in accommodation you own or manage or other accommodation which you have agreed to fund in line with your criteria
- ensure costs claimed represent value for money for the local area
- publish your rates where you have your own residential facilities

Job outcome payments

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 learner 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
- where the learner was claiming benefits relating to unemployment, they must also declare that they have stopped claiming these

Payments and Performance Management

Rules that apply to all Providers

This section sets out the principles by which we will manage your performance in the 2025 to 2026 funding year and this document should be read in conjunction with the 2025/26 TVCA Provider Performance Management Framework Policy.

In 2025/26, the Tees Valley Combined Authority will utilise the current DfE ILR (Individual Learning Record) to calculate and monitor a Provider's earnings against their Tees Valley ASF allocation and Level 3 FCFJ allocation.

All Providers in receipt of a 2025/26 funding allocation with TVCA will be allocated funds to implement their Delivery Plan. Payments will be made in line with the TVCA profile as below.

ASF Payment Model 2025/26 academic year

TVCA intends to implement the following payment model from 2025/26 academic year and in future years:

All providers will continue to receive a monthly profile payment of 8% of allocation for August 2025 and September 2025, in advance of your delivery.

We will move to actual payments October 2025

Payments from October onwards will be reconciled on a month-to-month basis, payments will only be made if the August and September upfront payments have been earned.

Payments will continue to the end of the academic year and on the last working day of the month.

Additional payments to providers will also be made following your R13 ILR data return and a final payment based on your R14 ILR data.

We will use our approach to funding to make sure learning provision is of a high quality. We will use your track record to assess your ability to deliver education and training to the required standard. Your record of accomplishment will include, but will not be restricted to, Ofsted grades, minimum quality standards, financial health, financial management and control, and your previous delivery against your funding agreements, where this information is available.

Additional aspects of your delivery will also be monitored and reviewed and are detailed in the 2024/26 TVCA Provider Performance Management Framework.

As part of our financial assurance work, we will continue to monitor compliance with the funding rules. We will contact you where we identify you have submitted data that

does not meet our funding rules and ILR and EAS requirements. We will require you to correct inaccurate ILR and TVCA EAS data or to adjust your final funding claim.

All Providers may be subject to a compliance visit, TVCA will use a set of compliance criteria which will be communicated within a reasonable timeframe.

TVCA will procure the services of external Auditors to undertake funding assurance reviews on its behalf on an annual basis.

All Providers must return their ILR from R01, for Tees Valley residents receiving ASF and Level 3 FCFJ funding. Further detail will be defined in your Provider funding agreement. All Providers must submit their ILR and EAS funding claims monthly and, where appropriate, provide a forecast to TVCA for the remainder of the funding year. The funding claims must include adult skills, Level 3 Free Courses for Jobs, non-formula funded, learning and learner support funding.

In-year, we will review the actual spend you submit in your funding claims against the ILR for Tees Valley residents and the TVCA EAS data you provide.

In addition to the above, all Provider payments for 2025/26 academic year will be reconciled at the end of the funding agreement period. This reconciliation will occur following receipt of the Provider's R14 ILR return and supporting data. TVCA reserves the right to recover any underspend below the full TVCA ASF and Level 3 FCFJ allocations.

2025/26 Delivery performance will be monitored throughout the funding agreement period to determine Provider TVCA earnings against their TVCA funding allocations.

If following monthly desk top performance management activities, it is deemed by TVCA that a Provider is significantly underperforming against their agreed Delivery Plan, TVCA reserves the right to instigate the Delivery Assurance Plan process.

There will be no funding payment for over delivery of the Provider's Delivery Plan unless previously agreed with TVCA prior to increases above the funding level detailed and agreed by TVCA and confirmed by TVCA in writing.

Funds cannot be 'vied' between funding agreements with TVCA and the DfE.

Your funding agreement will state the maximum amount of TVCA ASF and/or Level 3FCFJ provision you can deliver between 1 August 2025 and 31 July 2026

It will also state the maximum value of non-formula funded Learning for Inclusion we will fund (where applicable to you).

Your allocation can be used to fund new starts, non-formula funded Learning for Inclusion (where applicable to you) and learner support.

You must not transfer funding between the following budgets:

- ASF (including Learning for Inclusion to Skills Formula Funded)
- Level 3 Free Courses for Jobs

In order to drive improvements in the quality and reliability of provider learner data, and the outcomes for learners, TVCA will introduce an outcome payment in 2025/26 as follows:

Quality of Data

From 1 August 2025, TVCA will implement a financial incentive with the aim of improving the quality of provider data.

5% of provider monthly payments will be retained and will be reimbursed on a quarterly basis and will be subject to the meeting the assessment criteria (*see Performance Management Framework*).

Annex A: eligibility for funding

This annex sets out the countries falling within the below categories as referenced in the [residency eligibility](#) section.

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 ASF 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: Aland islands
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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
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Germany	The following is part of Germany and the EU: Tax-free port of Heligoland
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Netherlands	The following is part of the Netherlands: Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten), Aruba
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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 or email qualifications.approval@education.gov.uk if you need advice on a previous qualification's designation.

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

Please email qualifications.approval@education.gov.uk if you need advice on a previous qualification's designation.

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 TVCA funded ASE](#) and available on [find a learning aim](#).

[Qualifications and public funding](#) provide information on qualifications that are no longer approved for funding.

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 as part of a Bespoke Employer Led Skills Programme.

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.

If applicable, 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-regulated 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
- 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. We do not specify which should be used, only that a secure process to obtain and store signatures is followed:

- an electronic signature is defined as any electronic symbol or process that is associated with any record or document, where there is an intention to sign the document by any party involved
- an electronic signature can be anything from a check box to a signature and/or
- a digital signature is where a document with an electronic signature is secured by a process making it non-refutable
- it is a digital fingerprint which captures the act of signing by applying security to a document. Usually documents which have a digital signature embedded are extremely secure and cannot be accessed or amended easily

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 TVCA funded ASF 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.

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.

Individualised learner record (ILR)

You must accurately complete all ILR fields as required in the [2025 to 2026 ILR specification](#) even if they are not required for funding purposes.

The ILR must accurately reflect the learning and support (where applicable) you have identified, planned and delivered to eligible learners. You must not report inaccurate information that would result in an overstatement of the funding claimed.

Where your data does not support the funding claimed, we will take action to correct this, and we could recover funds you overstated.

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.

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 starting learning or leaving learning due to issues in obtaining childcare.
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.

Term	Description
ASF funding methodology	The funding methodology for individuals aged 19 and over, participating in ASF 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.

Term	Description
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 2025.
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 Combined 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.

Term	Description	
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 a new eligibility criterion, that enables learners to be fully funded if they earn below than £33,210.	
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 Area (EEA)	Economic	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.

Term	Description
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.
English for speakers of other languages (ESOL)	The study of English by speakers of other languages.
TVCA funded ASF	Funding you can claim from TVCA for delivery of ASF 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.

Term	Description
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

Term	Description
	<p>QAA Access to Higher Education (HE) Diploma at level 3</p> <p>Technical or applied general qualification at level 3 which meets or has previously met the requirements for 16 to 19 performance tables</p> <p>Core maths qualification at level 3</p>
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 Education and Skills Funding Agency (ESFA) and providers who receive funding for education and skills training.

Term	Description
Funding model (10 and 38)	Identifies the funding methodology we apply to submission of finalised ILR data. For ASF funding, Funding Model 10 (Learning for Inclusion) and 38 (Adult Skills) are used, noting model 10 is non-formula funded (i.e ILR data does not generate a funding rate and is paid on monthly profile) and model 38 is formula funded. More information is available in the 2025 to 2026 ILR Specification .
Funding year	The TVCAs 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.

Term	Description
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.
Learner residency	<p>We use the term ‘resident’ or ‘residence’ in this document for different purposes.</p> <p>Residence in the UK, EU and EEA has specific definitions in education law, and this is set out in the ‘residency eligibility’ section.</p> <p>Following the devolution of adult education functions, there is a new emphasis on residence in England, in determining and</p>

Term	Description
	<p>evidencing eligibility for TVCA funded ASF - see 'who we fund' and 'evidence' sections.</p> <p>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 TVCA funded ASF.</p>
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.

Term	Description
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	TVCA funded ASF 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 for where they have previously achieved the qualification and are currently being assessed a below level 4 and/or 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, up to and including level 1, for

Term	Description
	<p>individuals aged 19 and over, who have digital skills assessed at below level 1</p>
Learning for Inclusion	<p>learning for personal development aimed at addressing the specific needs of adults within a Local Authority area such as isolation, social exclusion, mental health and well-being.</p> <p>learning that aims to improve and develop stronger community engagement.</p> <p>learning that supports local voluntary and other third sector organisations to develop their capacity to deliver learning opportunities for adults residing in those disadvantaged neighbourhoods.</p>
Non-regulated learning	<p>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:</p> <ul style="list-style-type: none"> essential employment skills (<i>collaboration, Communication - including face-to-face communication; active listening; presentation skills; networking skills; telephone communication; written communication, Value based for Health and Care, including Early Years Care (working under pressure, time management, domestic skills) Creative</i>

Term	Description
	<p><i>thinking, Information literacy, Information Technology/Digital Skills including Microsoft Word, Excel and Powerpoint, Organising, planning and prioritising, Punctuality and Time Management, Team Work, Problem solving and decision making, Adapting to change</i></p> <ul style="list-style-type: none"> • essential skills (English, maths, digital) and ESOL • additional learning linked to a specific sector/learning aim
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.
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.

Term	Description
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.

Term	Description
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.
Skills Bootcamp	A skills bootcamp is a bespoke employer-led level 3 to 5 programme, designed to meet skills needs within the economy. Following a procurement process, the skills bootcamp programme began in August 2022.

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.
Tailored learning Outcome Fields	Local Authority Providers are required to complete the relevant Outcomes Fields for their Learning for Inclusion learners.
Unique learner number	A 10-digit number used to match a learner's achievement to their personal learning record (PLR).
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.

