

Greater Manchester Combined Authority

Adult Education Budget: Funding & Performance Management Rules

**For the 2020 to 2021 funding year
(1st August 2020 to 31st July 2021)**

Reference - GMCA136

***Of interest to all providers, delivering GMCA AEB funded
provision***

GMCA Adult Education Budget: Funding and Performance Management Rules

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Preface: The Greater Manchester Ambition

1. Devolution of the Adult Education Budget (AEB) formed a landmark agreement within Greater Manchester's ground-breaking devolution deal. The Greater Manchester Combined Authority (GMCA) assumed responsibility for ensuring high quality adult education is available across the city-region from the 2019-20 academic year onwards.
2. Skills underpin every facet of life in Greater Manchester (GM), from running the businesses our economy needs, to building the homes we live in and delivering the public services we rely upon. Both nationally and in Greater Manchester there is a pressing need for more highly skilled people than ever before, trained effectively, to grow the economy and raise productivity.
3. Our people and their skills, knowledge and experience are a key focus of Greater Manchester's Local Industrial Strategy¹, published in June 2019. The Local Industrial Strategy is a unique opportunity to spread the benefits of prosperity across the city-region, delivering inclusive growth and quality employment. We need to ensure that, in implementing this plan, no-one is held back and no-one is left behind, and that our key sectors – both the frontier sectors where we have assets of national and global significance and the foundation sectors which employ large numbers of our residents in a range of core occupations and industries – can access the skilled people they need.
4. Forecasts suggest greater demand for higher-level technical and specialist skills in the future. Greater international competition and faster technological change might put many roles that exist today at risk of automation, but will in turn create a myriad of new opportunities for GM residents and businesses. It is also clearer now than ever before that we must ensure that our residents and our labour market have the resilience to withstand economic shocks, both those that are the expected consequences of political or technological change, and those caused by unforeseen local, national or global circumstances. GM's economic strength now is in its diversity: in contrast to many other cities in the UK, the city region is not reliant on a single sector or large employer for growth and that offer real opportunities for both business and residents. The AEB is one part of a broad and complex skills landscape that contributes to the talent pipeline that supports that economic growth.
5. GMCA wants an integrated education, skills and employment support system that works for everyone, as set out in the priorities within the Greater Manchester Strategy (GMS):
 - Young people equipped for life and work
 - Good jobs with opportunities for people to progress and develop
 - A thriving and productive economy in all parts of the city-region.
6. However, to realise our ambitions for Greater Manchester as a dynamic, inclusive and knowledge-intensive city region, GM's skills base must improve. Despite recent progress and the commitment, expertise and enthusiasm of providers and stakeholders, the current skills system does not deliver enough people with high quality, relevant skills and, at higher levels, the technical knowledge required by employers. Too many young

¹ GMCA and central Government have worked together to develop one of the country's first modern local industrial strategies. The GM Local Industrial Strategy outlines a set of long-term policy priorities to help guide industrial development and provides a joint plan for good jobs and growth in the region. The Strategy has been developed with business (including those in the voluntary and social enterprise (CVSE) sector) and residents, and was informed by extensive consultation and by the GM Independent Prosperity Review
<https://www.greatermanchester-ca.gov.uk/what-we-do/economy/greater-manchesters-local-industrial-strategy/>

people reach the age of 19 without having attained the expected levels of attainment, leaving a gap that must be filled by the AEB.

7. To increase productivity and promote inclusive growth in GM, we need a flexible and responsive skills and employment system, which puts the needs of residents and employers at the heart of all that we do and has a strong focus on 'place'.
8. The devolved AEB must sit within a transformational education, skills, employment and health system within GM that delivers a step-change improvement in the basic and generic skills needed for life and work, including English, maths and digital skills. At the same time, it must deliver the higher level and technical skills needed to drive productivity in GM's growth sectors. A devolved Greater Manchester AEB will form a key element in supporting this progression within the broader delivery of the skills and employment system linking with other provision including technical education and apprenticeships / traineeships.
9. The devolved AEB plays a key role in Greater Manchester's growth and reform agenda, linking with other activity aimed at supporting our residents to progress in learning and to move towards / into productive and sustained employment.
10. Devolution of these functions and of the associated funding must be seen as the start of a journey towards creating a local skills strategy to support Greater Manchester's overarching ambitions for its residents and employers as set out in our Local Industrial Strategy.
11. However, it is only one part of the jigsaw; GMCA is keen to ensure that, over time, it delivers on its crucial role in securing the skills that employers require and delivering better outcomes for residents, aligning the devolved AEB with other reform initiatives such as Greater Manchester Working Well (Work & Health Programme). It will also have an impact on other skills budgets accessed by providers, including the European Social Fund (ESF) and, in the future, the UK Shared Prosperity Fund (as successor funding to ESF).
12. GMCA recognises that, for some Greater Manchester residents, the line of sight into further learning and / or work is clear; the positive outcomes we want for them may be relatively accessible. However, for others, that journey is more complex and may require multiple skills programmes delivered over a longer period of time. GMCA wants to work with providers to consider those individual journeys and the skills that each GM resident needs to acquire in order to make positive progress, rather than being constrained by what can be achieved and funded in a year. This is the start of a long-term journey of change focused on supporting the longer-term ambitions of our people and meeting the skills needs of our place.

Section 1 – Greater Manchester Adult Education Budget

Background

- 1.1 The principle purpose of the AEB is to engage adults and provide them with the skills needed for entering and sustaining work, an apprenticeship / traineeship, or other further learning. In Greater Manchester, this means high quality provision that leads to demonstrable improvements in opportunities, positive outcomes for individuals and clear progression pathways for our residents, with a clear line of sight into the local labour market and future economic development opportunities.
- 1.2 In particular, it should focus on ensuring that adults have the essential core skills they need, including delivering the expanding range of statutory entitlements, which, notwithstanding the devolved nature of this budget, will continue to apply within Greater Manchester.
- 1.3 The AEB funding allocation to Greater Manchester from Government to support the devolved functions has been calculated based on residents who are resident within the CA area. Greater Manchester's devolved AEB can therefore only be used to support eligible Greater Manchester residents.
- 1.4 With our strong focus on positive outcomes for residents, GMCA places significant importance on the quality of:
 - initial assessment,
 - ongoing review of residents' needs,
 - delivery of the provision,
 - prior attainment and future goals.

These are essential to enabling a progression / career pathway to be developed for each individual, whether this is:

- Supporting progression from entry level and level 1 into level 2 and higher and / or moving closer to the workforce, with a focus on residents who are least likely to participate;
- Enabling progression from level 2 to a higher level in order to gain the job / occupationally relevant skills required to enter and move on within the workforce, including a focus on those in work but on low incomes.

Greater Manchester devolved funding flexibilities: Summary

- 1.5 Over time, GMCA will make full use of the freedoms and flexibilities afforded by devolution. However, this is a long-term vision which cannot be delivered overnight, and a robust evidence base will underpin changes. While building that evidence, and to maintain stability in the system, GMCA is continuing to mirror for 2020/21 (where appropriate) current national statutory eligibilities, funding rates and formula, learning aims and qualifications (refer to Table 1: Level of GMCA contribution, paragraph 2.23).
- 1.6 As in 2019 - 2020, GMCA will continue to test some devolved funding policy flexibilities in 2020/21. These flexibilities, are not statutory requirements, although they will allow providers to support additional residents where they have not been able to previously. Contracted providers, will need to ensure that if they want to deliver any of the GMCA devolved flexibilities they must ensure the GMCA has been informed and it is recorded correctly on their delivery and financial schedules. The GMCA devolved flexibilities

and the relevant criteria / rules are set out in full in the What GMCA will fund section later in these Rules but in summary, the funding eligibility changes for GM AEB are as follows:

First Full Level 2 Expansion

- 1.7 GMCA takes the view that, regardless of a resident's age, their life chances and progression opportunities, as well as supporting inclusive economic growth, are improved by having a level 2 qualification. GMCA is therefore expanding eligibility to the entitlement relating to a first full qualification at level 2 to include residents who are employed and would in the past have been co-funded. This means that, regardless of age or employment status, all Greater Manchester residents who do not have an existing first full level 2 can be supported to achieve this without being expected to contribute to the costs of their learning.

British Sign Language (BSL)

- 1.8 We will fully fund any resident aged 19+ whose first language is British Sign Language to study for a first qualification in BSL up to and including level 2, where there is no other appropriate source of funding available (such as an Education Health and Care Plan).

Residents in receipt of low wage – GMCA development of the national fully funded approach

- 1.9 GMCA has followed the same principles set by the national funding rules relating to the low wage pilot. GMCA will fully fund residents, who are employed / self-employed and who would normally be co-funded. GMCA has increased the threshold salary level to the Real Living Wage or the equivalent of £18,135.00 annual gross salary.

Level 2 Digital Skills (under consideration)

- 1.10 GMCA recognise that the absence of basic digital skills can severely impact on life chances and progression. We aim to develop our residents and provide them with the digital skills they need for life, work or further study. GMCA is considering an expansion to the national Digital Skills Legal Entitlement and is seeking ways to fully fund any resident aged 19+, regardless of their employment status and other prior attainment, a recognised qualification at level 2 in Digital Skills. A further update to the GMCA AEB Funding and Performance Management Rules will be issued following this development to provide full details of this GMCA devolved flexibility.

Level 3 units

- 1.11 For some residents and employers, progression and productivity can be aided by discrete elements of learning that may not require a full qualification, or for whom committing to a full qualification may not be possible. These discrete elements of learning make our residents more employable and more knowledgeable and productive in the workplace to support our local employers with their higher skills. GMCA is therefore expanding access to level 3 units and combinations thereof, up to the maximum of 14 credits, for all residents who are either unemployed or who are employed but meet the criteria detailed in the Rules for being considered on a low wage. The level 3 units must not deliver a level 3 qualification and must not contravene advanced learner loans policy.

Licence to Practise

- 1.12 Some priority sectors / industries are facing skills gaps in occupational areas for which a licence to practise may preclude a resident from undertaking practical training and skills development. GMCA wants to understand the impact of funding licences to practice where they are priority sector specific and linked to a resident's programme of

learning in which the absence of a licence would be a barrier to learning and / or employment. This will initially be trialled in the construction industry, incorporating the CSCS licence requirements as part of a package of learning which will encompass suitable vocational qualifications that will support positive outcomes for the resident. The impact of this change will be monitored and kept under review in the context of the priorities set out in GM's Local Industrial Strategy in order to inform future funding policy.

Additional Considerations for 2020/21

- 1.13 GMCA is considering various mechanisms to look at different funding models, which could incorporate outcome payments, or different payment structures, that can be used to drive better outcomes for residents based on the progress made from the starting point of their individual journey. We will pilot activity to test a range of potential policy changes which would impact on future AEB activity, such as focussing on certain levels of qualifications; sectors linked to the Greater Manchester Local Industrial Strategy; key groups of residents or geographically targeted activity.
- 1.14 GMCA is keen to develop effective, high trust relationships with providers, delivering positive long-term impact for GM residents. At the start of the devolved adult education for GM in 2019/2020, we committed to commissioning on a forward-looking basis, working towards three-year delivery plans for both grant funded organisations and procured contracts being awarded on a 1+1+1 basis in order to enable providers to plan their delivery and build capacity with greater surety.
- 1.15 We expect providers to develop a place-based curriculum offer and wrap-around support with a clear focus on resident progression and on responding to the needs and priorities identified by GMCA and local authorities in the areas in which providers are operating. In line with this, providers will be asked to enable access to learner files and underpinning information that supports the agreed delivery plans to help us to understand the decisions made about chosen provision. This will also enable us to understand how providers are progressing their residents, given the focus on positive outcomes and progression to higher levels of learning / employment. Providers should ensure business models are in place, which maximise the positive impact of funding streams from a range of sources including employers, individuals and Government. We also want to encourage partnerships between providers and stakeholders in local areas and communities (including specialist partners and the voluntary, community and social enterprise sector) in order to help engage specific cohorts of residents, recognising that learning in local communities should be a valuable stepping-stone towards further learning.
- 1.16 GMCA wants to build strong, high trust relationships with providers as key strategic planning and delivery partners at the heart of the communities, places and economies that they serve. We will adopt the same underlying performance management principles across the entirety of the provider base, with the relationship between GMCA and providers being primarily strategic and quality driven rather than transactional. As part of our long-term collaborative vision around flexible, high quality provision that responds to the needs of our place, GMCA will work with providers to take a robust and proactive approach to performance / contract management and assurance to ensure that agreed outcomes and value for money are delivered. This is likely to include ongoing monitoring of monthly data returns as well as substantive performance management reviews on a quarterly basis.
- 1.17 GMCA will manage performance within the parameters of its annual budget allocation from Government and does not have the option to make a growth case to government for additional AEB funds. This means that, within the finite resources available, GMCA

must take a prudent approach to managing under delivery and growth, as well as discharging its obligation to ensure the best value for money for the public purse by avoiding committing funds to activity, which does not in fact take place.

- 1.18 GMCA will continue to not apply a reconciliation tolerance to under-performance by grant-funded providers in the way that ESFA applies a 3% tolerance to under-delivery. Rather, GMCA will pay only for the evidenced eligible provision that has been delivered. GMCA will **not** apply the 3% tolerance to over-delivery, any delivery undertaken above the funding allocation will be at the providers own risk, whether for a Grant Agreement or Contract for Services.
- 1.19 GMCA will for 2020/2021 and in future years, start to develop alternative ways of funding adult education activity and new ways of targeting focussed delivery, to determine changes to policy, which will meet the needs of both Greater Manchester residents and the local economy. These alternative funding methods will sit outside these Rules and will be evaluated separately to understand their impact and whether they are appropriate and can be implemented across the wider AEB programme in the future. These alternative funding methods could include, although are not exclusively listed:
- Additional incentive payments linked to specific criteria;
 - Funds distributed through a programme or pathway approach i.e. not on programme payments;
 - Use AEB to support specific learner activity e.g. mentors or key workers;
 - Grant funding for activity which addresses barriers to adult education;
 - Applying GMCA devolved flexibilities to types of learning e.g. licence to practise or development of new learning activity.
- 1.20 These funding methods will be introduced to specifically target learning models which support:
- Greater Manchester's Local Industrial Strategy and key sectors;
 - Skills gaps identified through work with local employers; and
 - Delivery associated to the recovery phase of the current COVID-19 pandemic.
- 1.21 These changes will be implemented through 'test and learn work streams', and these will be developed and linked to detailed policy information and research work, and where appropriate resources will be commissioned through open procurement processes, with detailed specifications outlining key asks, and how funding will be released. The aim of this approach, will begin to enable all providers to understand key changes in relation to adult education and how future working relationships will be grown. GMCA will take a consultation approach to some of the test and learn work streams and additional information will be issued outside of these Funding and Performance Management Rules, so that the new developments can be evaluated separately to understand their impact and whether they should be fully implemented within future budgets.
- 1.22 GMCA will also be procuring and managing contracts for ESF-funded provision and will use a proportion of its devolved AEB as eligible match funding. This means all learning funded by GMCA may become part of the ESF programme and providers must be compliant with ESF programme rules, checks and audits. We will work with providers to ensure that we can maximise the amount of GMCA AEB funding which can be used for match funding purposes.

Section 2 – General Funding Requirements

Introduction and purpose of the document

- 2.1 This document sets out the GMCA AEB funding and performance management rules for the 2020/21 funding year (1st August 2020 to 31st July 2021). These rules apply to all providers of education and training who receive AEB funding from the GMCA, whether commissioned and paid via Grant Agreement or under a Contract for Services. Providers must respond to the priorities set by GMCA. We know that providers are working through exceptional circumstances due to Coronavirus (COVID-19) and may publish further updates to this guide about the impact of COVID-19 on our funding rules as these become clear. We will tell you about any changes. We would like to take this opportunity to thank you for your continued hard work in these difficult times. For further information, please read [this guidance](#).
- 2.2 This document forms part of the terms and conditions of funding with the GMCA. You must read them in conjunction with your Grant Funding Agreement or Contract for Services, including the delivery and financial schedule agreed therein. You must operate within the terms and conditions of these agreements / contracts. If you do not, you are in breach of your funding and agreement / contract with the GMCA and action may be taken up to and including contract termination.
- 2.3 These funding and performance management rules apply to all provisions delivered to Greater Manchester residents who are starting new learning aims on or after 1st August 2020.
- 2.4 The GMCA reserves the right to make changes to these rules.

Principles of Funding

- 2.5 The GMCA will undertake a full due diligence exercise in advance of agreeing a Grant or a Contract for Services. This will include agreeing a delivery and financial schedule with you, which will form part of your agreement / contract.
- 2.6 The devolved AEB will be utilised to provide Greater Manchester residents who are aged 19 years and over with skills provision and associated support, including ensuring reasonable access to provision for any resident who has a statutory entitlement as defined by the Apprenticeships, Skills and Children's Learning Act 2009. It will be prioritised towards delivering those entitlements to eligible residents as well as to securing provision which otherwise supports the Greater Manchester Strategy.
- 2.7 All providers will be treated equally and fairly. To aid transparency, the value of grant allocations and contracts for services provision will be published annually by GMCA.
- 2.8 You must complete learner records accurately, including the resident's Unique Learner Number (ULN) field, in order to access GMCA funding. As Greater Manchester's overall AEB allocation is calculated by government based on residency within the CA area, it is particularly important that, as part of your initial assessment, you ensure the resident's postcode relates to where the individual resides at the start of their programme of learning and where they expect to be living for the duration of that learning. Should any changes occur the Learner Record Service information must be updated.
- 2.9 You must hold evidence to assure GMCA that you are using the funding appropriately. Most evidence will occur naturally from your normal business processes. GMCA

retains the right to request performance management information and related evidence as part of the ongoing contract monitoring and performance management process, included in your Grant Agreement or Contract for Services or both.

- 2.10 GMCA's relationship with the provider base will be primarily strategic rather than transactional, with a strong focus on proactive performance management and working together on the long-term journey outlined above. GMCA will expect high quality provision delivering measurable impact on the progression and outcomes for Greater Manchester residents and value for money for the public purse.
- 2.11 GMCA AEB funding must be considered in the broader skills funding and policy landscape, which encompasses ESFA, traineeships / apprenticeships, Learner Loans and HE activity, none of which are devolved to GMCA but all of which are inextricably linked in terms of resident progression within the post-16 skills and employment system.
- 2.12 The GMCA supports sub-contracting where it:
- Extends the breadth and reach of provision to under-represented or hard to reach residents;
 - Provides opportunities to offer small scale, niche or specialist provision; or
 - Encourages employers to recruit and develop GM residents within their workforce.
- 2.13 Additional information on sub-contracting can be found at paragraphs 3.31 to 3.52 of this document.
- 2.14 You must not use the payments that we make to you in 2020/21 as match funding for any ESF projects with any co-financing organisation or Managing Authority direct bids without clear written permission in advance from the GMCA.

Whom GMCA will fund

- 2.15 Determining eligibility based on nationality, immigration status and other related considerations is a matter for central government, particularly in light of the United Kingdom's withdrawal from the European Union. The GMCA is required to follow any directive given by the Secretary of State in this regard and is therefore adopting the eligibility for funding rules as set out in the relevant section² of the ESFA's Adult Education Budget Funding and Performance Management Rules 2020/21 ('the ESFA Rules') insofar as they apply to individuals resident within Greater Manchester.
- 2.16 You must check the eligibility of the resident at the start of their programme of learning and only claim funding for eligible residents.
- 2.17 The age of the resident on 31st August in the funding year determines whether the resident's learning is funded through the GMCA's AEB funding methodology (for individuals aged 19 and over), or the ESFA's young people's funding methodology (for individuals aged 16 to 19 and those aged 19 to 24 with an Education Health & Care Plan).
- 2.18 To be funded by GMCA, on the first day of learning a resident must be aged 19 or older on 31st August within the 2020/21 funding year.

² At the time of publication of this document the relevant sections are paragraphs 28 to 54 of Version 1 of the ESFA Rules (June 2020). -The most up to date ESFA Rules can be found here: <https://www.gov.uk/guidance/adult-education-budget-aeb-funding-rules-2020-to-2021>

- 2.19 All individuals aged 19 or over on 31st August who are continuing a programme they began while aged 16 to 18 ('19+ continuers') will be funded through the ESFA's young people's funding methodology.
- 2.20 Where we refer to a resident's age being 19 this relates to the resident being aged 19 on the 31st August within the funding year they start a programme of learning. For all other purposes, the age of the resident is at the start of the programme of learning.
- 2.21 A resident's eligibility will not change during the programme of learning. Residents will be eligible for funding for the whole of the programme of learning if they are eligible for funding at the start, even if the duration is for more than one year.
- 2.22 If the resident completes or withdraws from the programme of learning as detailed in their individual learning plan and then under takes a new programme / further learning, you must reassess the resident for eligibility before the start of learning.
- 2.23 The table shows the level of contribution provided by GMCA, following the national ESFA funded AEB principles. GMCAs own devolved flexibilities will apply separately and are detailed in paragraphs 2.74 to 2.92:

Table 1: The level of GMCA contribution for GMCA funded devolved AEB is as follows:

Provision	19 to 23 year olds	24 + Unemployed	24+ other
English and maths, up to and including level 2 (Must be delivered as part of the legal entitlement)	Fully funded*	Fully funded*	Fully funded*
Essential Digital Skills Qualifications up to and including level 1	Fully funded*	Fully funded*	Fully funded*
Level 2 (excluding English and maths) (First full level 2 must be delivered as part of the legal entitlement)	Fully funded* (first and full)	Fully funded	Co-funded+
Learning to progress to level 2	Fully funded^ (up to and including level 1)	Fully funded	Co-funded+
Level 3 (First full level 3 must be delivered as part of the legal entitlement)	Fully funded* (first and full)	Loan-funded	Loan-funded
	Loan-funded** (previously achieved full level 3 or above)		
English for speakers of other languages (ESOL) learning up to and including level 2	Co-funded+	Fully funded	Co-funded+
	Fully funded – unemployed		
Learning aims up to and including level 2, where the learner has already achieved a first full level 2, or above	Co-funded+	Fully funded	Co-funded+
	Fully funded – unemployed		
Learning aims up to and including level 2, where the learner has not achieved a first full level 2, or above	N/A	Fully funded	Co-funded+
<p>*Must be delivered as one of the English and maths, Digital entitlement and/or first full level 2 or first full level 3 qualifications required as part of the legal entitlements. ^Must be delivered as entry or level one provision from local flexibility. ** Availability of loans at level 3 does not replace the legal entitlement to full funding for learners aged 19 to 23 undertaking their first full level 3. + Low wage flexibility may apply, refer to paragraphs 2.34 – 2.35.</p>			

Residents aged 19 to 23 (excluding English, maths, digital and ESOL)

- 2.24 GMCA will fully fund 19 to 23-year-olds, including individuals who are employed on the day they start the following learning:
- Qualifications defined within the legal entitlement that are a resident's
 - First full level 2; and / or
 - First full level 3;
 - Local flexibility provision:
 - Up to and including level 1 to support progression to a first full level 2; and / or
 - Level 2 for those who already have a full level 2 if they are unemployed.
- 2.25 We will co-fund provision up to and including a level 2 for residents who have already achieved a full level 2, or above, who are employed. The low wage flexibility may apply, refer to paragraphs 2.34 and 2.35 in this document.

Residents aged 24 or older (excluding English, maths, digital and ESOL)

- 2.26 We will fully fund individuals aged 24 or older on the day they start provision up to, and including, their first level 2 if they are unemployed or employed including where the low wage flexibility may apply, as set out in paragraphs 2.34 and 2.35 in this document.

Residents with learning difficulties or disabilities

- 2.27 We will fund residents with learning difficulties or disabilities as set out in the [Apprenticeships, Skills, Children and Learning Act 2009, section 111](#).
- 2.28 The Secretary of State has devolved to the GMCA the responsibility for securing the provision of reasonable facilities for education and training suitable to the requirements of persons who are 19 and over. This includes residents with an identified learning difficulty or disability who have previously had an Education, Health and Care Plan (EHC Plan) and have reached the age of 25. These learners must:
- Have an EHC Plan that confirms their needs could only be met by the training organisation they are, or were attending; and
 - Continue to make progress on the programme of learning as set out in their EHC Plan.
- 2.29 We will fund residents aged 19+ whose first language is BSL to study for a first qualification in BSL, up to and including level 2 where there is no alternative source of funding available (see paragraph 2.82 in this document for details of eligible learning aims).
- 2.30 The young people's funding methodology will apply to learners aged 19 to 24, who have an EHC Plan.

Residents with an Education, Health and Care Plan (EHC Plan)

- 2.31 In the 2020 to 2021 funding year continuing residents who had an EHC plan in the 2019 to 2020 funding year will remain funded by the ESFA if they:
- Have reached the age of 25 and have 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.
- 2.32 Residents whose EHC plan is extended by the local authority beyond their 25th birthday will not be funded by the GMCA. The local authority must continue to provide top-up funding and contract directly with the institution.

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

Residents in receipt of low wage

- 2.34 You may fully fund residents who are employed or self-employed and in receipt of a low wage and would normally be co-funded. You must be satisfied the resident meets both of the following:
- Is eligible for co-funding, and
 - Earns less than £18,135.00 annual gross salary³.
- 2.35 You must have seen evidence of the resident's gross annual wages in these circumstances. This could be a wage slip within 3 months of the resident's learning start date, or a current employment contract, which states gross monthly/ annual wages. You must record what evidence you have seen, with a signature from a member of staff to acknowledge the said evidence. Please note this is not an exhaustive list, but must support your decision to award full funding to an individual who would normally be eligible for co-funding.

Unemployed

- 2.36 For funding purposes, a resident is defined 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 £338 a month (where the learner is a sole adult in their benefit claim) or £541 a month (learner has a joint benefit claim with their partner) and are determined by Jobcentre Plus as being in one of the following groups:
 - All Work-Related Requirements Group, Work Preparation Group and Work-Focused Interview Group;
 - They are released on temporary licence, studying outside a prison environment and not funded through the Offenders' Learning and Skills Service (OLASS).
- 2.37 Providers may also use their discretion to fully fund other residents if both of the following apply. The resident:
- receives other state benefits (not listed above) and their take-home pay (disregarding benefits) is less than £338 a month (learner is sole adult in their benefit claim) or £541 a month (learner has a joint benefit claim with their partner);
 - wants to be employed, or progress into more sustainable employment, and their take-home pay (disregarding benefits) is less than £338 a month (learner is sole adult in their benefit claim) or £541 a month (learner has a joint benefit claim with their partner), and you are satisfied the learning is directly relevant to their employment prospects and the local labour market needs.
- 2.38 This evidence should be retained in a resident's learner file.

³ £18,135.00 annual gross salary is based on the Real Living wage low-pay threshold of £9.30 (hourly rate in 2020/2021) and on the assumption of a 37.5-hour contract with paid statutory holiday entitlement. This figure will be kept under review in the event that the threshold changes.

* Subject to change

What GMCA will fund

- 2.39 For 2020/2021 GMCA are adopting the ESFA's national funding rates for all AEB legal entitlements and core skills, as well as the national approach to community learning, and learning and learner support.
- 2.40 The AEB funding methodology will be reviewed each year and providers will be notified of any changes. Please also refer to the following documents, which should be read alongside the GMCA AEB Funding and Performance Management Rules:
- [Greater Manchester Strategy](#);
 - [Adult education budget: funding rates and formula](#)
 - The ESFA reference guides on qualifications eligible for public funding found [here](#) including (or subsequent versions or related documents for 2020/2021):
 - [2020 to 2021 qualifications in the legal entitlement level 2 and level 3 and/or](#)
 - [2020 to 2021 qualifications in the legal entitlement English and maths and/or](#)
 - [2020 to 2021 qualifications in the digital legal entitlement](#)
 - [Local Flexibility](#)
 - [Minimum Standards](#)
 - [Individualised Learner record \(ILR\) technical documents, guidance and requirements.](#)
 - [Earning Adjustment Statement Guidance 2020 to 2021](#)

Eligible qualifications

- 2.41 Where you deliver regulated qualifications and / or their components, you must ensure they are eligible for AEB funding and available on [The Hub](#) unless agreed in writing by exception with GMCA.
- 2.42 You must make sure that learning is eligible for funding before the resident starts. The [Learning Aims Reference Service](#) and [The Hub](#) contain details of eligible regulated qualifications, qualification components and non-regulated learning aims OR programmes of learning agreed with GMCA that have then been entered on the Learning Aims Reference Service.
- 2.43 Certain qualifications that meet statutory employer requirements or a licence to practise may be eligible for unemployed residents, and some economically inactive residents, that meet the eligibility criteria. You can find more information about these qualifications in Adult Education Budget: qualification funding approval: funding year 2020 to 2021⁴ or later versions.
- 2.44 Before delivering a component, you must check with the awarding organisation that they provide a learner registration facility and the resident can achieve it alone or as part of accumulating achievement towards a qualification.
- 2.45 AEB also supports delivery of flexible tailored provision for adults, including qualifications and components of these and / or non-regulated learning, up to level 2 and where the resident is eligible, level 3 units; we call this 'local flexibility'.

⁴<https://www.gov.uk/guidance/qualification-funding-approval>

- 2.46 Local flexibility provision is either fully or co-funded, depending on the resident's prior attainment and circumstances. Please refer to the 'level of GMCA contribution' table on page 11 of this document.
- 2.47 The intention is that the initial assessment undertaken should look at what can be achieved by the resident over an agreed period. The potential for a three-year agreement offers the opportunity to consider what skills can be acquired and what progress can be made over that period. It is no longer appropriate to consider only what can be achieved and funded in a year. The assessment should focus on what is the longer-term ambitions of the resident and how you can support them to achieve this.
- You must make sure that learning is eligible for funding before the resident starts. [The Hub](#) contains details of eligible regulated qualifications, qualification components and non-regulated learning aims.
 - You must not claim funding where a resident only sits or resits a learning aim assessment or examination and no extra learning takes place.
 - You must not claim funding for any provision you deliver to a resident whose learning is taking place outside England.
 - You or your sub-contractors must not claim funding for any part of any resident's learning aim or programme that duplicates provision they have received from any other source.
 - You must not enrol residents on learning aims or programmes eligible for AEB funding at the same time as any new apprenticeship they start, funded from an employer's digital account or government-employer co-investment.
 - We will not fund a resident to repeat the same regulated qualification where they have previously achieved it unless it is for any GCSE where the resident has not achieved grade C, or 4, or higher.
 - You must provide accurate unique learner number (ULN) information to awarding organisations and ensure all information you use to register residents for qualifications are correct. You can find more information about the [Learner Records Service](#) on GOV.UK.

Legal entitlements

- 2.48 The AEB currently supports four legal entitlements, which enable full funding for eligible adult residents. These are set out in the [Apprenticeships, Skills and Children's Learning Act 2009](#).
- 2.49 The current legal entitlements enable eligible residents 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 attained a GCSE grade A* - C or grade 4, or higher; 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
 - Information technology ('digital') skills, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1
- 2.50 If a resident meets the legal entitlement eligibility criteria, you must not charge any course fees.
- 2.51 Eligible residents exercising their legal entitlement must be enrolled on qualifications from the:

- [2020 to 2021 list of qualifications in the level 2 and level 3 legal entitlement; and / or](#)
- [2020 to 2021 list of qualifications in the English and maths legal entitlement; and / or](#)
- [2020 to 2021 qualifications in the digital legal entitlement](#)

English and maths for those aged 19 or older

- 2.52 As part of their legal entitlement, we will fully fund individuals (including those who are employed on the day they start their programme of learning) who are aged 19 or older and who have not previously attained a GCSE grade A* to C or grade 4 or higher in English and maths, for the following qualifications:
- GCSE English language or maths;
 - Functional Skills English or maths from Entry to level 2; or
 - Stepping-stone qualifications (including components, where applicable) in English or maths approved by the DfE and ESFA.
- 2.53 If a resident wants to 'retake' their GCSE English and maths qualification because they did not achieve a grade 4 or higher (C or higher), we will not fund the resident to resit the exam only. To be eligible for funding there must be evidence that additional learning has taken place.
- 2.54 You must not enrol individuals on qualifications, which are not necessary for progressing towards a GCSE or Functional Skill level 2.
- 2.55 You must not fund an apprentice for English or maths from the AEB.
- 2.56 We will only fully fund non-regulated English and maths learning for residents, including those assessed at pre-entry level, aged 19 years and over with significant learning difficulties or disabilities as part of a personalised learning programme. This will be where an assessment has clearly identified that the resident cannot undertake GCSE English language or maths, Functional Skills English or maths from Entry to level 2 or Stepping-stone qualifications (including components, where applicable) in English or maths approved by the Department for Education.
- 2.57 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;
 - Carry out an appropriate diagnostic assessment to inform and structure a resident's learner file to use as a basis for a programme of study;
 - Enrol the resident on a level above that at which they were assessed and be able to provide evidence of this;
 - Deliver ongoing assessment to support learning; and
 - Record the evidence of all assessment outcomes in the learner file.
- 2.58 The assessments must place a resident's current skills levels within the level descriptors used for the Regulated Qualifications Framework (RQF).

Digital Skills for those aged 19 and over

- 2.59 We will fully fund individuals, including individuals who are employed, aged 19 or older, assessed at below level 1, as part of their legal entitlement on the day they start the following qualifications:
- Essential Digital Skills qualification (EDSQ up to and including level 1)
- 2.60 GMCA is considering an expansion to the national Digital Skills Legal Entitlement and is seeking ways to fully fund any resident aged 19+ a recognised qualification at level 2 in Digital Skills. A further update to the GMCA AEB Funding and Performance Management Rules will be issued following this development to provide full details of this GMCA devolved flexibility.
- 2.61 We will fully fund non-regulated learning for learners, including those assessed at pre-entry level with significant learning difficulties and/or disabilities as part of a personalised learning programme, where assessment has clearly identified that the resident cannot undertake an Essential Digital Skills qualification approved by the Department for Education at Entry Level or level 1.
- 2.62 You must:
- Carry out an initial assessment using current assessment tools based on the national standards for essential digital skills:
 - Carry out an appropriate diagnostic assessment to inform and structure a learner's learner file to use as a basis for a programme of study:
 - Enrol the learner on a level above that at which they were assessed and be able to provide evidence of this:
 - Deliver ongoing assessment to support learning; and
 - Record the evidence of all assessment outcomes in the evidence pack.
- 2.63 The assessments must place a learner's current skills levels within the level descriptors used for the Regulated Qualifications Framework (RQF).

English for Speakers of Other Languages (ESOL)

- 2.64 We will fully fund individuals aged 19 and over on the day they start their ESOL learning aim where they are unemployed, up to and including level 2.
- 2.65 We will co-fund all other individuals aged 19 and over on the day they start their ESOL learning aim, up to and including level 2. Where residents are employed, the low wage flexibility will apply if the criteria is met, as outlined in paragraphs 2.34 and 2.35.
- 2.66 Providers offering ESOL qualifications may need to deliver additional learning to individual residents that incurs additional cost above the qualification rate. You can access information on this in the [ESFA AEB Funding and Performance Management Rules](#) (paragraphs 49 and 51).

Community Learning

- 2.67 GMCA recognises that widening participation in education and training through learning delivered in local communities can transform people's lives, particularly where individuals and communities face complex barriers. Education and training delivered locally can help develop stronger communities, with more confident, self-sufficient, connected and proactive residents. Evidence shows that wider family learning programmes and family English, maths & language provision can better equip parents / carers to support and encourage their children's learning and provide wider benefits

in terms of health and / or social wellbeing. We also know that increased online learning and self-organised learning leads to the lives of our most troubled families being turned around.

- 2.68 However, whilst recognising the inherent value of all learning, we do not see AEB funded learning in communities as an end in itself; rather, the acquisition of skills should prepare residents for a range of next steps, including progress towards learning, employment or self-employment. Community learning courses must be appropriate for the resident, have clear pathways identified and lead to progression.
- 2.69 GMCA will therefore be supporting learning in ways that contribute directly to these objectives, using effective local partnerships to bring together key providers and relevant local agencies and services around the local learning offer within our communities, particularly in disadvantaged neighbourhoods.
- 2.70 The funding available for this type of provision, the types of activities it can support, and how it will be performance managed will be agreed as part of your Grant Agreement or Contract for Services. Providers delivering this activity will have the flexibility to use both regulated and non-regulated provision to support eligible individuals.
- 2.71 You must not use non-formula community learning funding for learning that is eligible to be funded through an advanced learning loan.

Non-regulated learning

- 2.72 Where you are delivering non-regulated learning you must ensure you have appropriate and robust quality assurance processes in place, such as 'The Recognising and Recording Progress and Achievement (RARPA) Cycle'. Further information on RARPA and is available from the [Learning and Work Institute](#).
- 2.73 In addition, where you deliver non-regulated learning you must ensure it is eligible for funding. The eligibility principles we apply to non-regulated learning are as follows:
- It must not be provision linked to UK visa requirements;
 - It must not be provision linked to statutory employer requirements (including a licence to practise) unless there is an agreed concession in place;
 - It must not be vendor-specific provision, linked to a particular employer or commercial system;
 - It must not be learning, for example, 'induction to college', that should be part of a resident's experience;
 - It must not be a non-regulated version of a regulated qualification;
 - It must not be above notional level 3; and
 - At notional level 2 or 3 it must focus on technical provision.
 - Where appropriate for the resident, you can deliver local flexibility provision alongside a legal entitlement qualification.
- 2.74 All the above would either be claimable via the Individualised Learner Record (ILR) / learning aims service (Learnings Aims Reference Service) or through the earnings adjustment statement. The evidence requirements and the timescales required for claiming any of the above will be defined in your Grant Agreement or Contract for Services.

Learning in the workplace

- 2.75 We will fund learning in the workplace where a resident has an entitlement to full funding for the statutory entitlements as set out in the funding contribution table above.
- 2.76 British Sign Language (BLS) up to and including level 2 for individuals for whom BSL is their first language will also be eligible (subject to resident/qualification eligibility as detailed below).
- 2.77 We will fund learning in the workplace that supports in-work progression and / or job sustainability and is not a statutory employer requirement.

First full level 2

- 2.78 GMCA will fund all residents regardless of age or employment status their first full level 2. This will be in line with the current legal entitlement for a resident's first full qualification at level 2 for individuals aged 19 to 23.
- 2.79 Residents must only be enrolled on qualifications from the:
- 2020 to 2021 list of qualifications in the level 2 and level 3 legal entitlement.
- 2.80 Providers will be required to ensure if they intend to deliver this element, it must be included in their delivery plan and any agreement with the GMCA will be confirmed in writing.
- 2.81 The impact of this change will be monitored and kept under review in the context of the priorities set out in GM's Local Industrial Strategy, skills gaps identified through work with employers, and delivery associated with the recovery phase of the current Covid-19 pandemic in order to inform future funding policy.

British Sign Language (BSL)

- 2.82 We will fully fund any resident aged 19+ whose first language is BSL to study for a first qualification in BSL, up to and including level 2, where there is no other appropriate funding available. Funding for BSL will be at the national rates.
- 2.83 The following qualifications will be covered under this entitlement:
- Entry level award in BSL (accredited by iBSL or ABC);
 - Level 1 certificate in BSL (accredited by Signature, iBSL or ABC); and
 - Level 2 certificate in BSL (accredited by Signature, iBSL or ABC).
- 2.84 Providers will be required to ensure if they intend to deliver this element, it must be included in their delivery plan and any agreement with the GMCA will be confirmed in writing.
- 2.85 The impact of this change will be monitored and kept under review in the context of the priorities set out in GM's Local Industrial Strategy, skills gaps identified through work with employers, and delivery associated with the recovery phase of the current Covid-19 pandemic in order to inform future funding policy.

Level 3 units

- 2.86 GMCA is continuing to expand access to level 3 units and combinations thereof, up to the maximum of 14 credits (or relevant guided learning hours equivalent), for residents aged 19+ who are either unemployed or who are employed but who meet for a low wage.
- The level 3 units must not deliver a level 3 qualification and must not contravene advanced learner loans policy.
 - Must not be standalone and must be offered alongside a Level 2 qualification (fully or co-funded via AEB).
 - Do not need to take into account level 3 units included in a level 2 qualification.
- 2.87 Providers will be required to ensure if they intend to deliver this element, it must be included in their delivery plan and any agreement with the GMCA will be confirmed in writing.
- 2.88 The impact of this change will be monitored and kept under review in the context of the priorities set out in GM's Local Industrial Strategy, skills gaps identified through work with employers, and delivery associated with the recovery phase of the current Covid-19 pandemic in order to inform future funding policy.

Licence to Practise

- 2.89 GMCA is making available funding to support the construction industry, incorporating the CSCS licence requirements as part of a package of learning. This must be linked to a resident's programme of learning in which the absence of a licence would be a barrier to learning and / or employment. The support will need to encompass suitable vocational qualification/s that will support positive outcomes for the resident.
- 2.90 The GMCA devolved flexibility will enable residents to obtain the CSCS card and will need to include delivery of a level 1 award in Health and Safety; the online CITB Health, Safety & Environment CSCS test and the CSCS application fee. GMCA will specify the relevant coding to be able to claim this activity and the rate will be set per learner up to £120.00, providing a relevant level 1 or level 2 construction vocational qualification is delivered, fully-funded or co-funded via AEB.
- 2.91 Providers will be required to ensure if they intend to deliver this element, it must be included in their delivery plan and any agreement with the GMCA will be confirmed in writing.
- 2.92 The impact of this change will be monitored and kept under review in the context of the priorities set out in GM's Local Industrial Strategy in order to inform future funding policy.

Prince's Trust Team Programme

- 2.93 The Prince's Trust Team Programme is a 12-week course designed to improve confidence, motivation and skills for eligible 16-25 year-olds.
- 2.94 In order to deliver the Team Programme, you must get approval from the Prince's Trust.
- 2.95 GMCA will fund the Team Programme eligible residents aged 19 to 25 through our AEB funding methodology. Please also refer to the Prince's Trust section in the [Adult Education Budget: Funding Rates and Formula](#) for All Providers for 2020 to 2021

document or subsequent versions. The ESFA will continue to fund the Team Programme for residents aged 16-18.

Job outcome payments

2.96 For fully funded residents who are unemployed, we will pay 50% of the achievement payment if they start a job before achieving the learning aim. If the resident then achieves the learning aim, we will pay the remaining achievement payment. The following conditions apply:

- The resident must provide you with evidence through a declaration, that they have a job for at least 16 hours or more a week for four consecutive weeks;
- Where the resident was claiming benefits relating to unemployment they must also declare that they have stopped claiming these.

Learning Support

2.97 Learning Support is available to meet the cost of putting in place reasonable adjustments, as set out in the Equality Act 2010, for residents who have an identified learning difficulty or disability, to achieve their learning goal.

2.98 Learning Support must not be used to deal with everyday difficulties that are not directly associated with a resident's learning on their programme.

2.99 You must:

- Carry out a thorough assessment to identify the support the resident needs;
- Agree and record the outcome of your assessment in the learner file;
- Record all outcomes on the learner file and keep all evidence of the assessment of the needs, planned and actual delivery; and
- Report in the ILR that a resident has a learning support need associated with an identified learning aim, by entering code LSF1, or such other code as we provide to you, in the 'Learning Delivery Funding and Monitoring' field and entering the corresponding dates in the 'Date applies from' and 'Date applies to' fields.

2.100 You can claim Learning Support at a fixed monthly rate if you report it in the Individual Learner Record (ILR) and the costs can be identified for specific individuals. You must use the Earnings Adjustment Statement (EAS) if your costs exceed this monthly rate and you must keep evidence of these costs. You will be required to evidence the expenditure.

2.101 You can claim Learning Support if learning continues past the planned end date and the resident needs continued support in order to complete their learning programme.

Exceptional Learning Support claims above £19,000

2.102 If a resident 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).

2.103 Residents 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.

- 2.104 You must submit ELS claims to the GMCA at the beginning of the resident's programme, or when you identify the resident requires support costs of more than £19,000 in a funding year.
- 2.105 To claim ELS for a resident 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 resident's local authority stating the reason(s) why the individual does not need an EHC Plan.
- 2.106 When you claim ELS 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 support to the learner and not include any indirect costs or overheads.

Learner Support

- 2.107 Learner Support is available to provide financial support for residents with a specific financial hardship preventing them from taking part / continuing in learning. Before you award support to a resident, you must identify their needs within the following 'categories':
- Hardship funding: general financial support for vulnerable and financially disadvantaged residents to support participation, this includes the purchase of digital kit to loan to learners for the duration of their learning programme;
 - 20+ childcare funding: for residents aged 20 or older on the first day of learning who are at risk of not starting or continuing learning because of childcare costs; and
 - Residential Access funding: to support residents where they need to live away from home.
- 2.108 You must not claim more than 5% of your total Learner Support final claim as administration expenditure. This should be managed within your overall Learner Support allocation. 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.
- 2.109 You will be required to estimate your Learner Support requirements in your tender submission within the delivery and financial schedule and your allocation will include a ring-fenced budget for Learner Support. We will review your actual spend on Learner Support during the year against the estimate agreed in your delivery plan as part of our performance management process.
- 2.110 If your actual spend is less than you have estimated you may request that some of that ring-fenced budget for Learner Support be moved to delivery. We will review a request to increase your Learner Support budget or reallocate Learner Support funding to delivery in accordance with our arrangements for reviewing increases and decreases in your contract / agreement value. You may also use your Flexible Allocation to cover additional costs of Learner Support over your original estimate. If your actual spend is less than you have estimated and you are unable to reallocate it to delivery, we may reduce your contract / agreement value by the unspent amount.
- 2.111 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 residents and to us on request;

- Assess and record the resident's needs, demonstrating the need for support;
- Report the appropriate Learner Support Reason codes in the 'Learner Funding and Monitoring' fields in the ILR;
- Complete a monthly EAS for the Learner Support alongside the ILR;
- Take into account the availability of other support for residents, for example from Jobcentre Plus; and
- Make it clear to residents 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.

2.112 You must not use Learner Support funds for any of the following:

- Essential equipment or facilities if the resident is eligible to receive full funding;
- A resident carrying out a higher education course or learning aims fully funded from other sources; or
- To pay weekly attendance allowances or achievement and attendance bonuses.

Hardship

2.113 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), domestic emergencies and emergency accommodation;
- Transport costs (but not make a block contribution to post-16 transport partnerships or routinely fund transport costs covered in the local authority's legal duty for residents of sixth-form age);
- Examination fees;
- Accreditation fees, professional membership fees and any fees or charges due to external bodies;
- Your registration fees; and
- Support provided by others, or by providing items, services or cash direct to the resident. This can be a grant or a repayable loan.

2.114 In exceptional circumstances, you can use hardship funds for course fees for residents who need financial support to start or stay in learning.

2.115 If an asylum seeker is eligible for provision, you may provide Learner Support in the form of course related books, equipment or a travel pass. You must not give a resident who is an asylum seeker support in the form of cash.

Childcare costs (residents aged 20 years+)

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

2.117 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; or
- Fund childcare for residents aged under 20 on the first day of learning; instead you must direct them to the ESFA's 'Care to Learn' programme.

2.118 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

2.119 You must:

- Set out the criteria and procedures for considering and agreeing applications for support from your residential access funds; and
- Give priority to residents who need accommodation and only pay for travel costs in exceptional circumstances.

What GMCA will not fund

2.120 GMCA AEB funding is ring-fenced for the purposes set out in these Rules and cannot be used to support other nationally funded programmes or activity for which other specific funding is available, including:

- Provision delivered by organisations which do not have a Grant Agreement or Contract for Services in place with GMCA to deliver learning for Greater Manchester residents outside of Greater Manchester, unless agreed by exception;
- Non-devolved AEB provision contracted by ESFA or other areas;
- Provision for non-Greater Manchester residents, including residents of other devolved Mayoral Combined Authorities (MCAs) or Greater London Authority (GLA);
- Apprenticeships (all ages);
- Traineeships for 16-18-year olds or 19-23-year olds;
- 16-18 funding such as the Study Programme (including 16-18 resident support);
- Advanced learner loan facility;
- Loans bursary fund;
- Offender Learning;
- Education and training services funded by the European Social Fund

2.121 GMCA will also not fund any:

- Learning aim delivered at an employee's workplace which is either relevant to their job or to their employer's business, unless:
 - It is statutory entitlement learning stated in paragraph 2.49;
 - It is a first qualification in BSL as stated in paragraph 1.8 and 2.82; or
 - It supports in-work progression and/or job sustainability as stated in paragraph 2.77
 - GMCA have agreed by exception that specific action can be taken in response to a rapid change in the economic / employment landscape within a sector, industry or geography within GM which would otherwise have a serious detrimental effect on residents;
 - Work placement or work experience, unless it is delivered as part of a Prince's Trust Team Programme.
- Provision to individuals in custody where their learning is paid for by Ministry of Justice funding. GMCA will, as noted above, only fund provision for offenders not otherwise funded by the Ministry of Justice, such as learning undertaken by individuals released on temporary licence or studying outside a prison environment.

Section 3 – Delivering GMCA funded AEB provision

Rules that relate to providers and the delivery of AEB funded provision commissioned by GMCA through Grant Agreements and / or Contracts for Services.

- 3.1 GMCA commissions its AEB funded provision through a mix of Grant Agreements and Contracts for Services. The AEB market in GM is open to high quality providers of all kinds (including partnerships / alliances of providers and their supply chains) which build strong, place-focused relationships with the GMCA and with the businesses and residents of Greater Manchester. In this way, we provide the best value and impact for our people and our place by aligning the devolved AEB with the wider skills and employment system.
- 3.2 This Section outlines the rules that relate to providers and the delivery of AEB funded provision commissioned by GMCA through Grant Agreement and / or Contracts for Services.
- 3.3 You must not claim funding where a resident only sits or resits a learning aim assessment or examination and no extra learning takes place.
- 3.4 You or your sub-contractors must not claim funding for any part of any resident's learning aim or programme that duplicates provision they have received from any other source.
- 3.5 We will not fund a resident to repeat the same regulated qualification where they have previously achieved it unless it is for:
 - Any GCSE where the resident has not achieved grade C, or 4, or higher; or
 - A qualification related to a specific sector where there is a skills shortage.
- 3.6 You must make sure that learning is eligible for funding before the resident starts. [The Hub](#) contains details of eligible regulated qualifications, qualification components and non-regulated learning aims. Providers should factor the suggested Guided Learning Hours (GLH) into their delivery to ensure residents are offered a comprehensive plan of learning.
- 3.7 You must not enrol residents on learning aims or programmes eligible for AEB funding at the same time as any new apprenticeship they start, whether funded from an employer's digital account or government-employer co-investment.
- 3.8 You must provide accurate unique learner number (ULN) information to awarding organisations and ensure all information you use to register residents for qualifications is correct. You can find more information about the [Learner Records Service](#) on GOV.UK.

Evidencing starting, participating, achieving and leaving learning

- 3.9 The learner file must contain evidence to support the funding claimed and must be available for compliance checks in line with Section 4 Performance Management. If the time spent in learning is short, the level of evidence in the learner file would reflect this.
- 3.10 Evidence in the learner file must assure us that the learner exists.

- 3.11 You can only claim funding for learning when directly related learning starts. This would not include enrolment, prior assessment, diagnostic testing or induction.
- 3.12 You must have evidence that learning took place and that the resident was not just certificated for prior knowledge.
- 3.13 Where the learning is certificated you must follow your awarding organisation's procedure for claiming the relevant certificate(s) and ensure they are given to the resident. You must evidence that this has happened in the resident file.
- 3.14 You must report the learning actual end date within the learner file in the ILR for a resident who leaves learning as the last day that you can evidence they took part in learning.
- 3.15 Where you hold information centrally, you only need to refer to the source.
- 3.16 If applicable, the learner file must confirm the following:
- All information reported to us in the ILR and the Earnings Adjustment Statement (EAS), and if it applies, the supporting evidence for the data you report
 - Your assessment and evidence of eligibility for funding and a record of what evidence the learner has provided
 - All initial, basic skills and diagnostic assessments
 - Information on prior learning that affects the learning or the funding of any of the learning aims or programme
 - Evidence of Information, Advice and Guidance (IAG) to demonstrate that the learning programme is relevant, in the correct order and leads to a high quality learner journey.
 - 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 resident will achieve
 - The supporting evidence about why you have claimed funding and the level of funding for a resident, including details of any resident 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 resident's self-declarations as to what state benefit they claim
 - A resident's self-declarations on their status relating to gaining a job
 - All records and evidence of achievement of learning aims. This must be available within three months of you reporting it in the ILR.
- 3.17 You must keep evidence that the resident is eligible for funding. Where the resident 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.
- 3.18 If a sub-contractor delivers any provision to the resident, all supporting evidence must clearly identify who the resident is and who the subcontractor is. This must match the information reported to us in the ILR. The information must be collated and submitted in accordance with the ILR guidance which relates to provision delivered by GMCA.

Qualifying days for funding

3.19 The resident must be in learning for a minimum number of days between the learning start date and learning planned end date before they qualify for funding, including learning support. The table below sets out the relevant qualifying period:

Planned length of the learning aim	Minimum qualifying days
168 days	42 days
14-167 days	14 days
Fewer than 14 days	1 day

Recognition of prior learning

3.20 The GMCA expectation is that providers will not require residents to repeat learning related to employability programmes, unless there is a specific link to developing key sector vocational skills.

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

- Reduce the funding amount claimed for the learning aim by the percentage of learning and assessment the resident does not need;
- Follow the policies and procedures set by the awarding organisation for delivery and assessment of the qualification; and
- Not claim funding if the prior learning meets the full requirements of the awarding organisation to achieve the learning aim.

3.22 We do not set limits on the length of time of either prior learning or previously certificated learning. However, where the resident's learning and / or achievement occurs outside of five years, you must as part of the initial assessment determine whether the learning is still valid and relevant.

3.23 You must not use prior learning to reduce funding for English and maths qualifications up to and including level 2.

3.24 If a resident enrolls on an advanced subsidiary (AS) Level qualification followed by an A Level, you must reduce the funding claimed for the A Level and record this in the 'Funding adjustment for prior learning' field in the ILR. You can access [ILR information](#) on GOV.UK.

Breaks in learning

3.25 As part of the initial assessment, you and the resident must agree a plan, which is flexible enough to enable the resident to not be penalised should they require to take a break in learning due to circumstances outside of their control.

3.26 We expect this approach to be utilised to support residents who have known barriers making it difficult for them to remain in learning for long periods of time e.g. mental health, caring responsibilities. It should wherever possible enable the resident to continue on their programme of learning where they left, and providers should minimise any necessity to redo or have the resident wait to restart a new programme of learning. You must have evidence that the resident agrees to return and continue with the same learning aim, otherwise you must report the resident as withdrawn.

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

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

Fees and charging

- 3.29 You must not make compulsory charges relating to the direct costs of delivering a learning aim to residents we fully fund. This includes those residents who are eligible for fully funded provision due to a statutory entitlement to learning that is free of charge at the point of delivery. Direct costs include any essential activities or materials without which the resident could not complete and achieve their learning.
- 3.30 If a fully funded resident needs a Disclosure and Barring Service check to participate in learning, you cannot charge them for this. If the learning is associated with the resident's employment, their employer is responsible for carrying out and paying for this check.

Sub-Contracting

- 3.31 GMCA has commissioned AEB provision from a diverse provider base; analysis of the current capacity and configuration of the market suggests that, in addition to organisations, which will deliver on a sole provider basis, high quality sub-contracting arrangements will also be a feature of GMCA's AEB landscape.
- 3.32 In particular, it is important that small specialist providers (including the voluntary, community and social enterprise sector) continue to access the market in order to offer an appropriate range and choice of provision and delivery models for residents, and subcontracting arrangements can help to facilitate this where such organisations do not have a direct contract with GMCA.
- 3.33 GMCA are mindful of management fees and expect providers to show a level of vigilance towards this with regards to subcontracting, therefore do not anticipate management fees for Supply Chain Partners exceeding 20%. Providers wishing to charge Supply Chain Partners a management fee of above 20% must request permission from GMCA in advance.
- 3.34 Only one level of subcontracting is allowed by GMCA.
- 3.35 We define a delivery subcontractor as a separate legal entity that has an agreement with you to deliver any element of the education and training we fund. A separate legal entity includes companies in your group, other associated companies and sole traders. It also includes individuals who are self-employed or supplied by an employment agency, unless those individuals are working under your direction and control, in the same way as your own employees.
- 3.36 You must take your own legal advice about the impact of Public Contracts Regulations 2015 on your recruitment of delivery sub-contractors and have this advice available for inspection by us on request.
- 3.37 Your governing body or board of directors and your accounting officer (senior responsible person) must be satisfied that all your subcontracted delivery meets your strategic aims and enhances the quality of your offer. You must set out the reasons for sub-contracting in your published supply chain fees and charges policy, and indicate how these reasons reflect and support your strategic aims. You must be able to evidence this, such as through minutes of relevant meetings and sign-off.

- 3.38 GMCA expects AEB sub-contracting to be strategic in nature with a clear rationale of how the delivery of a sub-contractor can benefit the businesses, communities and residents of Greater Manchester and meet any skills gaps you cannot deliver yourself. You must not subcontract to meet short-term funding objectives.
- 3.39 You must only use delivery sub-contractors:
- If you have the knowledge, skills and experience within your organisation to successfully procure, contract with and manage those sub-contractors, and can evidence this with:
 - the CVs of relevant staff;
 - Sub-Contractor management policy and/or framework
 - Evidence of any applicable quality mark your organisation may have undertaken e.g. Merlin Standard
 - Who your governing body/board of directors and your accounting officer (senior responsible person) determine as being of high quality and low risk, and provide written evidence confirming this; and
 - If you have robust procedures to ensure sub-contracting does not lead to the inadvertent funding of extremist organisations.
- 3.40 You are responsible for the actions of your delivery sub-contractors connected to, or arising out of, the delivery of the services which you sub-contract, and for ensuring their compliance with all relevant requirements including ESF, as set out in detail within your Contract for Services or Grant Agreement.
- 3.41 Sub-contractors whom have an aggregated GMCA AEB sub-contract value of £100,000 or more may be subject to a GMCA compliance visit in their own right. GMCA reserve the right to liaise with sub-contractors directly regarding any compliance visits. GMCA will notify the Prime Provider(s) with whom the sub-contractor holds their sub-contract.
- 3.42 Prime providers who have separate sub-contracting arrangements for GMCA AEB may be subject to additional or separate compliance visits for each arrangement.
- 3.43 It is the responsibility of the Prime Provider to manage and monitor the delivery of its sub-contractors to ensure high quality activity takes place that meets the funding and performance rules laid out in this document.
- 3.44 All sub-contractors via their Prime Provider must provide detail of their intended AEB offer. This will be captured through a template provided by GMCA.
- 3.45 Any additional sub-contractors in-year must be agreed by GMCA via the Change Process. You must not go forward with any sub-contract arrangements until you have received written approval. You will not receive funding for any delivery by a non-approved sub-contractor.
- 3.46 GMCA promotes proactive and supportive management of sub-contractors. Movement of funding between more than one approved sub-contractor, that does not alter the mix and balance of direct delivery and sub-contracted delivery, is allowed. If you wish to change the mix and balance of direct delivery and sub-contracted delivery, this must be approved by GMCA via the Change Process.
- 3.47 GMCA reserves the right to request any documentation listed within this document or the relevant schedule of the contract for services and/or grant agreement as part of any audit process, including but not limited to

- a. Due diligence checks
- b. Record of performance management including monitoring reviews
- c. Audit reports of the Sub-contractor carried out by the Prime Provider

Reporting your subcontracting arrangements

- 3.48 You must provide a fully completed delivery subcontractor declaration by the dates we will give you. This will be three times during the 2020 to 2021 funding year. If you do not make the declaration on time, we will suspend your payments. If you do not subcontract, you must still provide a nil return to confirm this.
- 3.49 You must also update your subcontractor declaration if, and when any of your subcontracting arrangements change during the year.
- 3.50 You must report to us the actual level of funding paid and management fee charged for each of your delivery subcontractors in 2020 to 2021. You must email this information to your Contract Officer using a template which we will supply to you. We will let you know the date by when you must do this.
- 3.51 You must include the following on the template for GMCA funded AEB delivery:
- Name of each delivery subcontractor;
 - The UK Provider Reference Number (UKPRN) of each delivery subcontractor;
 - Contract start and end date for each delivery subcontractor;
 - Funding we have paid to you for GMCA funded AEB delivery by each delivery subcontractor in that funding year;
 - Funding you have paid to each delivery subcontractor for GMCA funded AEB delivery in that funding year;
 - Details of the funding you have charged as a management fee in relation to each delivery subcontractor's GMCA funded AEB delivery for that funding year and
 - If appropriate, funding each delivery subcontractor has paid to you for services or support you have provided in connection with the subcontracted delivery.
- 3.52 All delivery subcontractors must be clearly identified with their individual UKPRN within your MI systems, to ensure all learning aims can be fully reconciled.

Evidence and Data Collection

- 3.53 You must hold evidence to assure us that you are using the funding appropriately. Most evidence will occur naturally from your normal business processes.
- 3.54 Data and management information underpin the funding and commissioning decisions made by GMCA. It also underpins and informs the work of Ofsted and other agencies. When aggregated, it presents the progress and impact of the adult skills sector to the GMCA, sponsoring departments and to the Government, thereby informing policy and commissioning decisions in the future.
- 3.55 The data gathered provides information about the effectiveness of the learning programmes in terms of whom they reach, what learning they receive and what outcomes are subsequently achieved. The data collected will go beyond the ILR for the duration of this contract. You must be prepared that the GMCA will ask for further data items and your systems and processes must be adapted to cater for this at your

own cost. GMCA will work with providers on an ongoing basis to further develop the types of information collected to ensure that it can adequately demonstrate progression, outcomes and impact. Data recorded in the ILR must identify the learner's destination at the end of the learning episode. The use of the 'Unknown' identifier should only be used for genuine learners and not used as the default response.

- 3.56 In 2020/21 GMCA will use the data recorded on the ILR and information submitted through the Earnings Adjustment Statements to calculate funding earned by all providers. The data will provide management information, including performance indicators, which will be used to manage your current Grant Agreement or Contract for Services.
- 3.57 The data collected in the ILR and information submitted through the Earnings Adjustment Statements will be used to ensure that the AEB funding devolved to the GMCA is being spent in line with its statutory duties and its wider skills ambitions. The Adult education skills funding model supports flexible and responsive provision to residents.
- 3.58 You can collect the data required to make an ILR return in whatever way you wish and in the best way that supports your natural business processes. For example, information about a resident may be gathered on a paper enrolment form or through an online enrolment process. Much of the information about the learning aims and programmes being undertaken may be held within a Management Information System (MIS) and can be exported directly from this. You are responsible for ensuring that whatever systems you use are compliant with relevant data protection legislation.
- 3.59 A series of Devolved Area Monitoring (DAM) codes have been developed to record delivery under GM AEB when ILR data is submitted. This will be updated within the ILR Specification of 2020/21.

Data Protection

- 3.60 For the purposes of this Grant Agreement or Contract for Services, you have been identified as being a Data Controller, as defined in the Data Protection Act 2018, Section 6. This makes you responsible for ensuring that the requirements of any and all relevant data protection legislation are complied with, by both yourselves and any approved subcontractors.
- 3.61 It is a requirement of your Grant Agreement or Contract for Services that, if requested, you will provide evidence that you have complied with the data protection legislation to enable you to process data to provide the services required by AEB funding.
- 3.62 You will be required to ensure that all residents have seen the Privacy Notices, which informs them about how their data will be used. The first Privacy Notice will be issued by the GMCA. This will identify the GMCA's role in the AEB programme and that they will be receiving data from the ESFA. This is in addition to any data protection processes you may decide to have in place. You should ask residents if they do not wish to be contacted for marketing, survey or research purposes and record this information in the Learner contact preference fields in the ILR.

Confirmation and signatures

- 3.63 You must keep effective and reliable evidence. You are responsible for making the evidence you hold easily available to us when we need it.
- 3.64 The resident must confirm that all information is correct when it is collected. You must have evidence of this, which can include electronic formats.
- 3.65 We accept electronic evidence, including digital signatures, where appropriate this must meet with the ESF Guidance on electronic signature (see ESF guidance at 4.45 to 4.48 of Section 4), but where electronic evidence is relied upon you must have wider systems and processes in place to assure you that residents exist and are eligible for funding.

Individualised Learner Record

- 3.66 The ILR must accurately reflect what learning and support (where applicable) has been identified, planned and delivered to eligible residents. You must not report inaccurate information that would result in an inflated claim for funding.
- 3.67 You must accurately complete all ILR fields as required in the ILR Specification⁵, even if the fields in question are not used for funding purposes. Where your data does not support the funding you have claimed, we will act to correct this and will recover funds you have over claimed.

Self-declarations by residents

- 3.68 All self-declarations must confirm the resident's details and describe what the resident is confirming.
- 3.69 If a resident self-declares prior attainment, you must check this in the personal learning record and query any contradictory information with the resident. The personal learning record will not necessarily override the resident's self-declaration.

⁵ Full specification can be found here: <https://guidance.submitlearnerdatatabeta.fasst.org.uk/>

Section 4 – Performance Management & Payments

- 4.1 GMCA aims to build strong strategic relationships with providers of all kinds, regardless of whether they are funded by Grant Agreement or Contract for Services, with a long-term shared vision that results in localised, flexible, high quality provision that responds to GMCA's strategic priorities. This requires proactive and collaborative performance management that supports us to understand and improve the impact and outcomes achieved for our residents through GMCA's exercise of the devolved functions and our risk based approach.
- 4.2 GMCA have adopted a commissioning approach for the allocation of AEB, which includes a mixture of grant funded, and procured provision.
- 4.3 Although the process of making payments to providers will differ depending on whether you hold a Grant Agreement or Contract for Services, our approach to Performance Management will be standardised across all providers.
- 4.4 GMCA's approach to the reconciliation requirement previously referred to as ESFA Funding Claims differs when dealing with reconciliation tolerances, reductions and growth, which is set out in detail below.
- 4.5 Providers are required to submit [ILR](#) data and [Earnings Adjustment Statement](#) via the ESFA on a monthly basis post R04, in line with the timescales set by the ESFA, and as per your Grant Agreement / Contract for Services. This will be used to support our payment and performance management processes.
- 4.6 GMCA AEB Grant Agreements and Contracts for Services remain separate with different payment arrangements. If you hold both you cannot vire funds between the two.
- 4.7 You cannot vire funds between your GMCA AEB and any other funding streams. You can use other funding streams to complement AEB if that improves the chances of the resident progressing.

Performance Management

- 4.8 This section sets out GMCA's approach to performance management, which is standardised across all providers.

Quarterly Monitoring

- 4.9 GMCA will have four key monitoring points during the year, which are used to review the overall position of GMCA's AEB funding in terms of expenditure and delivery. These points are set out below:

Progress & Monitoring Review 1	January
Progress & Monitoring Review 2	April
Progress & Monitoring Review 3	July
Progress & Monitoring Review 4	October (Final Reconciliation)

- 4.10 GMCA reserve the right to increase or decrease the number of monitoring points we operate, in line with delivery against the funding available for AEB. We also reserve the right to adjust your contract value if there is a risk that demand for AEB may exceed the budget available.

- 4.11 At the monitoring points outlined above, you will need to complete a Progress & Monitoring Report, which sets out performance to date, forecast to the end of the funding year, along with details of any existing or potential issues/risks relating to under/over performance in terms of expenditure or delivery. This report will provide qualitative information on your progress in terms of delivery, as well as financial and numerical data. GMCA will use these reports alongside your ILR, EAS and any performance review data, to review the overall position of all Grant Agreements and Contracts for Services.
- 4.12 At these monitoring points, where providers have identified actual or potential underspend within their current allocation, for reasons outlined in the Progress and Performance report, they will be given the opportunity to voluntarily reduce their allocation. Any underspend will be returned to the central pot to be redistributed within GM.
- 4.13 Where this is the case, this will not impact on your allocation or contract decisions, for 2021/22, subject to the provider not being at stage 2 or 3 of the performance management framework outlined below. Should your underspend position continue year on year, GMCA reserve the right to review future allocations.
- 4.14 In addition, if at the monitoring points set out above, we have evidence that you will not deliver in full, we may reduce it to a level that is in line with your actual in-year delivery. Any underspend will be returned to the central pot to be redistributed within GM.
- 4.15 Where, at these monitoring points GMCA identify underspend within the central pot, we may offer the opportunity for providers to increase their grant allocation / contract value. The process for allocating additional funding will be conducted against a framework of criteria, which will be informed by the latest intelligence available relating to need and GMCA's strategic skills priorities.
- 4.16 The risk-based criteria will be defined prior to the 1st August 2020, and may include the following considerations (these are not exhaustive and are subject to change):
- Consistently strong progress in line with your profiled delivery at key monitoring points;
 - Achievement Rates are consistently equal to or above national rates;
 - Ability to respond to GMCA's strategic skills priorities;
 - A good track record, including accuracy of forecasts you have provided at key monitoring points (see paragraphs 4.9 to 4.15 and 4.17 onwards below);
 - You are not at Level 2 or 3 of GMCA's Performance Management Framework;
 - You are not under notice for an inadequate inspection result or financial control;
 - You are not under a notice to improve, additional conditions of funding or additional contractual obligations in relation to minimum quality standards for 19+ education and training.

Performance Management Framework

- 4.17 We will use the GMCA funding and performance management approach for your AEB funding. This regime is designed to ensure that providers meet the agreed delivery and financial schedule, and the minimum standards stipulated in your contract / grant agreement. Should you fail to meet the requirements and obligations arising from your Grant Agreement or Contract for Services, GMCA will take appropriate informal / formal action against you as required. This involves a four stage approach as follows:
- **Level 1:** Performance Management
 - **Level 2:** Informal action
 - **Level 3:** Escalation
 - **Level 4:** Formal action (Performance Improvement Notice).

Level 1: Performance Management

- 4.18 A review of all providers will take place within the first quarter of delivery, in order to determine an initial risk rating, where applicable, which will establish the frequency of the Performance Management approach for each provider.
- 4.19 The review, where applicable, will focus on minimum performance standards and using a combination of dialogue, IT-based management information and compliance checks. A number of tools will be used to undertake the review, which include but are not limited to:
- Financial Assessment;
 - Completion of due diligence checks;
 - Use of tender submission and scores (for contracted services);
 - Submission of Delivery Schedule; and
 - Capability and capacity to deliver.
 - Review of systems and processes
- 4.20 Following the review, a risk rating assigned to providers through a RAG rating system. This will indicate the level of intensity of performance management to be undertaken:
- **Green:** Low Intensity – each provider will receive as a minimum 2 Performance Reviews and a minimum of 1 compliance check per year.
 - **Amber:** Medium Intensity – each provider will receive as a minimum 1 quarterly Performance Review and a minimum of 2 compliance checks per year.
 - **Red:** High Intensity – each provider will receive as a minimum monthly Performance Reviews and a minimum of quarterly compliance checks per year.
- 4.21 It is important to note that a providers RAG rating can change in year, based on actual delivery, performance reviews and compliances checks.

Performance Reviews

- 4.22 Your lead contact within the GMCA Performance and Contract Monitoring Team will hold regular Performance Reviews (PR) with you, which will focus on achieving contractual / grant agreement performance levels. Performance will be managed on both quantitative and qualitative aspects of your Contract for Services / Grant Agreement.
- 4.23 The purpose of the PR is to formally examine with you, your performance for individual Contracts for Services / Grant Agreements. All relevant aspects of performance will be assessed against contractual requirements and outcomes. The frequency of PR will be in line with your RAG rating.
- 4.24 The PR meeting will focus on the ongoing achievement of performance levels and customer service standards and depending on priority issues for each meeting, is likely to cover the following areas (this list is non-exhaustive):
- Actions arising from any previous PR
 - Performance including that reported in the ILR and EAS against your Delivery Schedule and expected future performance
 - Performance against Social Value outcomes (where applicable)
 - Review of Action Plan (where applicable)
 - Sub-contractor and supply chain performance
 - Collaborative working
 - Compliance monitoring
 - GMCA Strategic Priorities
 - GMCA / DfE policy changes.

- 4.25 The achievement of social, economic and environmental objectives from Public Sector procurement is a key objective for GMCA. Providers will be expected to manage and monitor social value commitments, working to achieve the key performance indicators in line with the Social Value Act 2012. Agreed Social Value Key Performance Indicators will form a key ongoing element of the performance management and monitoring.
- 4.26 The outcomes of your performance review may impact on your RAG rating.

Compliance Monitoring

- 4.27 You must ensure you have systems and processes in place to assure GMCA that you are using the AEB appropriately. GMCA reserve the right to perform Compliance Monitoring for any provider, including sub-contracted provision.
- 4.28 In order to gain this assurance, the GMCA's Performance & Contract Monitoring Team will undertake regular compliance checks of all providers. The number of compliance checks undertaken per year will be dependent upon the RAG rating assigned to you as outlined above.
- 4.29 The compliance checks will include, but not be limited to:
- Systems and process
 - ILR data
 - EAS submission
 - Sample checks of learner files
 - Number of Guided Learning Hours (GLH) delivered per qualification. This must be recorded and can include classroom delivery, distance learning and assessment. Attendance records must be available.
 - Next steps/learner outcomes at the time of the course completion
 - Evidence of learner tracking for progression
 - Sub-contracting arrangements
 - Other contractual requirements
 - ESF requirements
- 4.30 GMCA will select a sample of learner files to check randomly using a method chosen by GMCA. The frequency, periodicity and size of the samples may change throughout the contract period.
- 4.31 A final list of compliance checks to be carried out will be sent to you along with a schedule and timeline of visits following your most recent RAG rating.
- 4.32 As part of our compliance monitoring, 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 requirements. We will require you to correct inaccurate ILR and EAS data or to adjust your final funding claim.

Audit and Assurance

- 4.33 In addition to GMCA's own financial assurance work, providers will still be subject where appropriate to audit through the national systems operated by DfE and the ESFA. GMCA, DfE and ESFA are responsible for assurance of their own funds however working together they will minimise the administrative burden across the providers for AEB learning and skills activity through a joint audit code of practice.
- 4.34 Where GM residents are selected for sampling, compliance will be assessed against GMCA funding and performance management rules.

Level 2 – Informal

- 4.35 If data shows that you may not achieve the performance levels set out in your Contract for Services / Grant Agreement, we will discuss with you whether a Performance Action Plan is required. The Action Plan will be used to capture all agreed actions for performance improvement including incremental performance and pipeline data that may lead to improving performance levels in line with the agreement / contract.
- 4.36 If the remedial actions captured on the Action Plan are unable to lift your performance in order to meet the delivery profile performance levels, you will be invited to a meeting to discuss performance and receive a management letter to request specific performance improvement. At this stage you will be informed that formal action could be taken in the event that performance does not improve.
- 4.37 The Action Plan will be reviewed as part of your Performance Review. Moving to Level 2 within the Performance Management Framework will impact on your RAG rating and therefore, the intensity of the Performance Management approach.

Level 3 – Escalation

- 4.38 If data and subsequent reviews show that you may not achieve the Action Plan set out in your Performance Review, we will discuss your contract and delivery with the GMCA Skills and Work Executive. Once these discussions have taken place, a decision will be made as to whether to progress to Level 4

Level 4 – Formal

- 4.39 If formal action is required, GMCA will issue a Performance Improvement Notice (PIN) in accordance with the terms of your Grant Agreement or Contract for Services, to address the failure to meet the performance levels set out in the grant / contract. GMCA will work with you to support the completion of a Performance Improvement Plan (PIP) and agree the forecast management information you will be asked to supply.
- 4.40 In the event that performance does not improve sufficiently to meet the performance levels as required by the PIN or you are otherwise in breach of the agreements set out in the PIP, GMCA may act to terminate your contract or grant agreement.
- 4.41 The PIN will be reviewed as part of your Performance Review. Moving to Level 3 within the Performance Management Framework will impact on your RAG rating and therefore, the intensity of the Performance Management approach. It may also impact on any request for growth or contract extension for the funding year 2021/2022.

Local Governance

- 4.42 GMCA are keen to ensure there is a strong focus on how delivery looks within a place as well as at a GM level for the AEB provision. To enable this GMCA intend to put in place consistent distribution of communications and meetings across the GM ten Local Authority areas and to provide a supportive and engaging environment whereby key stakeholders, including but not limited to LAs and providers, can shape, contribute to and take ownership for the Greater Manchester adult skills provision.
- 4.43 Meetings will be will planned in throughout the duration of the contract which will provide a forum in which the AEB programme and wider skills delivery and performance can be openly discussed with relevant providers (by place), Local Authority and the GMCA. The aims will be to support sharing of good practice, delivery and integration in each area, supporting continuous improvement.
- 4.44 There is an expectation that all providers will engage with the placed based approach both with GMCA and the local authorities. GMCA will share with the local authorities key information such as:
- Planned provision by local authority area and sector skills areas, split by residents volumes and value;
 - Actual progress of delivery by local authority area and sector skills areas, split by residents volumes and value.
- 4.45 GMCA will want to see collaboration across all prime providers and their supply chains to enable high quality learner pathways, both at a local level and across GM.

European Social Fund (ESF) Match Funding

- 4.46 GMCA will also be procuring and managing contracts for ESF-funded provision that meets local needs and will use a proportion of its devolved AEB as eligible match funding. This includes matching the ESF contract value to other similar funding residents and provision, which we will report to the ESF Managing Authority in England. This means any learning funded by GMCA becomes part of the ESF programme, and the ESF programme rules apply and will be subject to our ESF compliance checks and external audits, this will also apply to your sub-contractors.
- 4.47 You and your sub-contractors must not use the payments that we make as match funding for any ESF projects with any co-financing organisation or Managing Authority direct bids without clear written permission in advance from the GMCA.
- 4.48 You and your sub-contractors must follow the retention of documents, 'publicity' and horizontal themes rules and provide evidence as detailed in the ESF 2014 to 2020 funding and performance management rules. You and your sub-contractors must follow the evaluation, surveys and annual implementation reporting rules in the ESF 2014 to 2020 funding and performance management rules.

- 4.49 You and your sub-contractors must keep to the rules of the ESF programme or you will break the conditions of your contract and this could result in us recovering funds. This includes applying the eligibility evidencing rules detailed in the [ESF Eligibility Guidance](#). It is your responsibility to ensure that you are fully compliant with ESF rules. Further ESF requirements can be found at <https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance>

State Aid

- 4.50 State Aid is any advantage granted by public authorities (such as GMCA) through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union. The definition of State Aid is very broad because 'an advantage' can take many forms. It is anything that an undertaking (an organisation engaged in economic activity) could not get on the open market.
- 4.51 State Aid rules can (amongst other things) apply to the following:
- Grants
 - Loans
 - Tax breaks
 - The use or sale of a state asset for free or at less-than-market price.
- 4.52 The rules can apply to funding given to charities, public authorities and other no-profit making bodies where they are involved in commercial activities. You can find guidance on State Aid on gov.uk.
- 4.53 It is your responsibility to ensure that you comply with the provisions of all applicable rules on State Aid in relation to any payments that the GMCA makes to you from the devolved GM AEB (whether these payments are made by way of Grant Funding or under a Contract for Services) and to ensure that all requirements for application of exemptions or notification to, and approval by, the European Commission under such rules, are met.
- 4.54 In the event that any devolved GM AEB funding paid to you under a Grant Funding Agreement or under a Contract for Services is deemed to constitute unlawful State Aid, the GMCA reserves the right to require immediate repayment of any such funding.
- 4.55 Your obligations to ensure that you comply with the provisions of all applicable rules on State Aid also apply where you are using devolved GM AEB to provide support to individuals in employment and / or their employers. Where the rules on State Aid apply, you must assess the employer for the State Aid they have already received to date and the State Aid that they are to receive from devolved GM AEB funding.
- 4.56 Where an employer will exceed the De Minimis threshold under Commission Regulation (EU) No 1407/2013 of 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to De Minimis OJ L 352, 24.12.2013 (2the De Minimis Aid Block Exemption) the De Minimis Aid Block Exemption, you must contact the GMCA to obtain written guidance on how to proceed. Where any State Aid is provided to an employer on the basis of the De Minimis Aid Block Exemption you will be required to ensure that the necessary State

Aid De Minimis assessment (in the form specified by the GMCA and as required in terms of compliance with the De Minimis Aid Block Exemption) are obtained, retained and provided (on demand) to the GMCA.

- 4.57 The GMCA may require you to obtain a contribution towards the cost of services delivered under a devolved GM AEB Grant Agreement or Contract for Services from the employer of any person who is receiving support. Where an employer contribution is required, the GMCA will confirm to you in writing the exact percentage of the contribution and you will be required to maintain (and provide on demand) evidence that the required employer contribution has been made.

Information specific to AEB Grant Agreements

Payments

- 4.58 Where your AEB is allocated to you in the form of a Grant Agreement between yourselves and GMCA for the 2020/21 academic year, your grant agreement will state the maximum amount of AEB provision and learner support you can deliver between 1st August 2020 and 31st July 2021. It will also state the maximum value of non-formula funded community learning we will fund (where applicable to you). This will be split across the funding lines and you cannot vire the funding between them, without GMCA approval in writing.
- 4.59 GMCA will make payments to you based on a standardised profile. Payments will be made for a fixed amount on a monthly basis on a set date each month.
- 4.60 In order to claim learner support, you must ensure the values contained in the ILR reconcile with the amount claimed in the EAS.
- 4.61 Your AEB grant can be used to fund new starts, non-formula funded community learning (where applicable to you) and learner support in line with eligibility criteria.
- 4.62 GMCA will agree with you a Delivery and Financial Schedule which will be used to monitor delivery and expenditure against. This will form part of the Performance Management process.
- 4.63 A series of Devolved Area Monitoring (DAM) codes have been developed to record delivery under GM AEB when you submit ILR data, this will be updated within the ILR Specification of 2020/21 when released.

Reconciliation Tolerances

- 4.64 As previously set out in paragraphs 1.16 and 1.17, given the finite resources available to GMCA, only evidenced eligible provision will be funded through AEB, therefore GMCA will **not** apply a 3% reconciliation tolerance to underperformance by grant funded providers. This approach is applied to both AEB provision, learning support and non-formula funded community learning (if applicable) allocations as set out in your grant agreement.
- 4.65 GMCA will **not** apply a 3% tolerance to over-delivery, any delivery undertaken above this level is at your own risk. This approach is applied to both AEB provision and non-formula funded community learning (if applicable) allocations as set out in your grant agreement.

Information specific to AEB Contract for Services

Payments

- 4.66 Where your AEB is allocated to you in the form of a Contract for Services between yourselves and GMCA for the 2020/21 academic year, your contract will state the maximum amount of AEB provision, learner support and non-formula funded community learning (if applicable) you can deliver between 1st August 2020 and 31st July 2021. This will be split across the funding lines and you cannot vire the funding between them, without GMCA approval in writing.
- 4.67 GMCA will make payments to you for all funding lines on the basis of actual delivery. We will calculate value using your monthly validated ILR and EAS submissions. Payments will be made within 30 days of the ILR submission, subject to GMCA receiving ILR data from the ESFA within the agreed timescales.
- 4.68 In order to claim learner support, you must ensure the values contained in the ILR reconcile with the amount claimed in the EAS.
- 4.69 Your AEB grant can be used to fund new starts and learner support in line with eligibility criteria.
- 4.70 A series of Devolved Area Monitoring (DAM) codes have been developed to record delivery under GM AEB when you submit ILR data, this will be updated within the ILR Specification of 2020/21, when released.
- 4.71 GMCA have no responsibility to pay any amount over your maximum allocation of funding as set out in your Contract for Services. Any delivery undertaken above this level is at your own risk, unless agreed in advance with GMCA in the form of a contract variation.

Contract Extensions

- 4.72 GMCA may, extend the contract on up to two occasions (up to a maximum of one year on each occasion), up to 31st July 2022 in line with your contract. Any extension will be subject to the provider's performance, government policy and funding availability.
- 4.73 In order to inform the decision making process for contract extension, GMCA will use the quarterly key monitoring points outlined above to review your performance in line with your delivery schedule which forms part of your current contract. This will be considered alongside information collected as part of our Performance Management approach.
- 4.74 It is anticipated that decisions will be made and communicated to providers during February / March 2021, subject to GMCA having confirmation of our funding allocation. At this point you will be required to submit a Delivery Schedule for the 2021/2022 academic year.

Annex A – Eligibility for funding (subject to review)

This Annex details which countries will meet the residency requirements detailed in the above guidance.

Countries or areas where residency establishes eligibility for our funding:

- Member states of the European Union

You can access a list of member states on the EU website.

Other territories are categorised as being within the European Union for the purposes of the fees regulations; these are:

- Cyprus: any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national
- Finland: includes the Aland Islands
- France: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon) is part of metropolitan France and is part of the EU
- Germany: includes the former German Democratic Republic and the tax-free port of Heligoland
- Portugal: Madeira and the Azores are part of the EU; Macau is not
- Spain: the Balearic Islands, the Canary Islands, Ceuta and Melilla are part of the EU
- United Kingdom: Gibraltar is part of the territory of the EU

To note: The Channel Islands and Isle of Man are part of the United Kingdom and Islands but not part of the EU and Andorra, Monaco, San Marino and the Vatican are not part of the EU.

EEA and eligible overseas dependent territories.

For funding eligibility purposes, this is defined as all member states of the EU and Iceland, Liechtenstein, Switzerland, Norway and all the eligible British Overseas Territories and EU overseas territories listed below. Although Switzerland is not part of the formally recognised EEA, its nationals are eligible under various international treaties signed by the UK and Swiss governments.

Residents who are nationals of certain British Overseas Territories and of certain European overseas territories are eligible for funding, depending on the three-year rule on residence in the EEA. These are as follows:

Anguilla; Bermuda; British Antarctic Territory; British Indian Ocean Territory; British Virgin Islands; Cayman Islands; Falkland Islands; Henderson Island; Montserrat; Pitcairn, Ducie and Oeno Islands; South Georgia and the South Sandwich Isles; St Helena and its dependencies; Turks and Caicos Islands; Greenland and Faroe Isles; Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten) Aruba ;New Caledonia and its dependencies; French Polynesia; Saint Barthélemy; The Territory of Wallis and Futuna Islands; Mayotte; French Southern and Antarctic Territories.

EU and EEA students

The UK has now left the EU and a transition period is in place until 31 December 2020. Students who are nationals of EU (or EEA) countries who are living in the UK and have started their programme before 31 December 2020 must be treated equally to UK residents. Once enrolled they will be eligible for funding for the full duration of their study programme.

In due course, we will provide additional advice on EU/EEA nationals who move to the UK after 31 December 2020.

Annex B - Definitions used in the Adult Education Budget

Full level 2

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

- A General Certificate of Secondary Education in five subjects, each at grade C or above, or grade 4 or above, or
- Technical Certificate at level 2 which meets the requirements for the 2018, 2019, 2020, 2021 and 2022 16 to 19 performance tables (or any alternative arrangements as put in place for the 2019/20 academic year as part of the response to the coronavirus COVID-19 outbreak and associated disruption to/cancellation of assessments and examinations).
- Certain Technical Certificates in the 2017 16 to 19 performance tables

If a resident aged 19 to 23 has achieved a level 2 qualification that was, at the time they started, or still is, classed as a full level 2 then any subsequent level 2 qualifications will be co-funded. If a qualification gained overseas is comparable / compatible with a regulated qualification in England, currently part of the level 2 and level 3 19 to 23 legal entitlement, the resident will be deemed to have achieved their first level 2 and / or level 3 qualification.

Full level 3

Level 3 is the Level of attainment which is demonstrated by a:

- General Certificate of Education at the advanced level in two subjects, or
- General Certificate of Education at the AS Level in four subjects, or
- QAA Access to Higher Education (HE) Diploma at level 3, or
- Tech level; or applied general qualification at level 3 which meets the requirements for the 2018, 2019, 2020, 2021 and 2022 16 to 19 performance tables (or any alternative arrangements as put in place for the 2019/20 academic year as part of the response to the coronavirus COVID-19 outbreak and associated disruption to/cancellation of assessments and examinations).

If a resident aged 19 to 23 has achieved a level 3 qualification, that was, at the time they started, or still is, classed as a full level 3, and wants to enrol on any subsequent level 3 qualification, of any size, they will have to either apply for an advanced resident loan or pay for their own learning.

When a resident starts an AS Level qualification and intends to continue through to a full A Level in the same subject, the funding of both the AS and A Levels will be treated as if they were a single qualification. This must be set out in their learning agreement and the learning must be in consecutive funding years.

Eligible qualifications

Where you deliver regulated qualifications and / or their components you must ensure they are eligible for AEB funding and available on the Hub. Certain qualifications that meet statutory employer requirements or a licence to practice are eligible for unemployed residents that meet the criteria that identifies unemployed residents earlier in this document.

Before delivering a component, you must check with the awarding organisation that they provide a facility for the resident to be registered on it and the resident can achieve it alone or as part of accumulating achievement towards a qualification.

Non-regulated learning

Where you deliver non-regulated learning, you must ensure it is eligible for funding. Such learning could include:

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

The eligibility principles we apply to non-regulated learning are as follows.

- It must not be provision linked to UK visa requirements;
- It must not be provision linked to statutory employer requirements (including a licence to practice) unless there is an agreed concession in place;
- It must not be vendor-specific provision which is linked to a particular employer or commercial system;
- It must not be learning that should be part of a resident's experience, such as an 'induction to college';
- It must not be a non-regulated version of a regulated qualification;
- It must not be above notional level 2 (that is, at notional levels 3 or 4);
- At notional level 2 or 3 it must focus on technical provision.

Where you are delivering non-regulated learning, you must ensure you have appropriate and robust quality assurance processes in place. For instance, 'The Recognising and Recording Progress and Achievement (RARPA) Cycle'. Further information on RARPA is available from the [Learning and Work Institute](#).

Annex C - Community Learning

The purpose of community learning is to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to:

- Progress towards formal learning or employment; and / or
- Improve their health and well-being, including mental health; and / or
- Develop stronger communities.

GMCA expect that the acquisition of skills gained through community learning should prepare residents for a range of next steps, including progress towards further learning, employment or self-employment. Community learning courses must be appropriate for the resident, have clear pathways identified and lead to progression.

Community learning courses are delivered and reported on the ILR under the following four delivery strands:

- **Personal and Community Development Learning:** learning for personal and community development, cultural enrichment, intellectual or creative stimulation and for enjoyment (in most cases not leading to a formal qualification).
- **Family English, Maths and Language:** learning to improve the English, language and maths skills of parents, carers or guardians and their ability to help their children.
- **Wider Family Learning:** learning to help different generations of family members to learn together how to support their children's learning.
- **Neighbourhood Learning in Deprived Communities:** supports local Voluntary and other third sector organisations to develop their capacity to deliver learning opportunities for the residents of disadvantaged neighbourhoods.

Learning in Local Communities – Provision

For activity claimed using the 'non-formula funded' approach, ILR data must be recorded using Funding model code 10 and Learning Delivery FAM records to identify Personal and Community Development Learning (PCDL), Neighbourhood Learning in Deprived Communities (NLDC), Wider Family Learning (WFL), or Family English, Maths and Language (FEML).

For activity similar to learning in the community delivered through the AEB formula funded approach, you do not need to record these Learning Delivery FAM codes but must follow the requirements for the Adult skills funding model (Funding model 35) set out in the ILR specification and this guidance document.

Learning provision that is subcontracted to an FE College by a local authority must be recorded by the College using code 99 in the Funding Model field, with a Learning Delivery FAM code of SOF108.

The data collection requirements are the same for all non-formula community learning provision, regardless of whether it is directly funded or subcontracted by a local authority (Funding model 10, or Funding model 99 and Source of funding 108).

Non-formula funding

Where applicable, your AEB allocation will include an amount of non-formula community learning funding. We state this value in your Grant Agreement / Contract for Services. You must deliver non-formula funded community learning provision in line with the existing community learning objectives set out below, up to this maximum amount.

Non-formula community learning funding is paid on a monthly profile. You must 'attribute costs' for eligible residents, up to the value of your non-formula community learning 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 resident's learning plan.

If we fund you through a grant or financial memorandum, you have the flexibility to use all, or some, of your non-formula community learning funding in line with the AEB formula-funded methodology (fund model 35), to meet local demand.

You can use this amount of non-formula learning funding (stated in your TBC) to deliver non-regulated provision that may be similar to community learning. If you do, you must:

- Follow the AEB formula-funded methodology and submit ILR data under fund model 35; and
- Enrol residents following the AEB eligibility requirements set out in the table at paragraph 2.23 and paragraphs 2.24 to 2.36 in this document, you must not use your community learning local fee remission policy.

If we fund your organisation through a Contract for Services, you do not have this flexibility, and we will reclaim unspent non-formula community learning funding at year-end. You must not use non-formula community learning funding for learning that is eligible for funding through an advanced learner loan.

Local fee remission policy

You must have in place and operate a fair and transparent community learning local fee remission policy that requires individuals to pay a course / tuition / joining fee, but also sets out clear eligibility criteria for those individuals who, due to their circumstances, qualify for either partial or total fee remission. Your Local Fee remission policies must be available on your website and / or in the venues you deliver community learning to eligible residents.

Partnership working

Partnership working underpins the objectives of learning in the community and is critical to developing and delivering an effective community-based offer in a given locality.

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

We expect you to work with other providers in your local area, who may be in receipt of non-formula community funding. We expect you to develop a strategic, efficient learning offer to reduce duplication of courses in a locality, and signpost residents to other partners as and when appropriate.

Objectives of learning in the community

- Focus public funding on people who are disadvantaged and least likely to participate, including in rural areas and people on low incomes with low skills
- Collect fee income from people who can afford to pay and use where possible to extend provision to those who cannot.
- Widen participation and transform people's destinies by supporting progression relevant to personal circumstances, e.g.
 - Improved confidence and willingness to engage in learning
 - Acquisition of skills preparing people for training, employment or self-employment
 - Improved digital, financial literacy and / or communication skills

- Parents/carers better equipped to support and encourage their children's learning
- Improved/maintained health and / or social well-being
- Develop stronger communities, with more self-sufficient, connected and pro-active citizens, leading to:
 - Increased volunteering, civic engagement and social integration
 - Reduced costs on welfare, health and anti-social behaviour
 - Increased online learning and self-organised learning
 - The lives of our most troubled families being turned around
- Commission, deliver and support learning in ways that contribute directly to these objectives, including:
 - Bringing together people from backgrounds, cultures and income groups, including people who can/cannot afford to pay
 - Using effective local partnerships to bring together key providers and relevant local agencies and services
 - Devolving planning and accountability to neighbourhood/parish level, with local people involved in decisions about the learning offer
 - Involving volunteers and Voluntary and Community Sector groups, shifting long term, 'blocked' classes into learning clubs, growing self-organised learning groups, and encouraging employers to support informal learning in the workplace
 - Supporting the wide use of online information and learning resources
 - Minimising overheads, bureaucracy & administration

Annex D – Glossary

The term ‘we’ refers to the Greater Manchester Combined Authority (GMCA)	
The term ‘you’ or ‘providers’ includes FE & Sixth form colleges, higher education institutions, training organisations, local authorities, employers and all other organisations who receive funding from GMCA to deliver education and training through the devolved AEB. We will use the generic term ‘you’ or ‘provider’ unless the requirements only apply to a specific provider type.	
20+ childcare	A category of learner support to assist residents aged over the age of 20 who are at risk of not starting learning or leaving learning due to issues in obtaining childcare. AEB funded residents aged 19 who require support with the costs of childcare can apply for assistance through the Care to Learn scheme.
Adult funding methodology	The GMCA funding methodology for residents aged 19 and over, participating in AEB learning.
Advanced learner loan	Advanced learner loans are available for residents aged 19 or above to undertake approved qualifications at levels 3 to level 6, at an approved provider in England. Advanced resident loans give residents access to financial support for tuition costs similar to that available in higher education and are administered by Student Finance England.
Break in learning	When a resident 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 (DfE) scheme to assist young parents under the age of 20 with the childcare costs that may form a barrier to them continuing in education.
Change Process	This procedure outlines the process for grant funded and contract for services providers to request changes to their AEB grant funding agreement or contract for services.
Community Learning	Helps people of different ages and backgrounds gain a new skill, reconnect with learning, pursue an interest, and learn how to support their children better, or prepare for progression to more formal courses / employment.
Components of regulated learning	A subset of a qualification, which could be a unit.
Contract for Services	Funding agreement for providers not paid through a grant agreement.
Devolved Area Monitoring (DAM) Code	Codes entered into the ILR to identify devolved activity and GMCA devolved flexibilities.
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: <ul style="list-style-type: none"> • Essential Digital Skills qualifications
Direct costs of learning	Any costs for items without which it would be impossible for the resident to complete their learning aim. This can include the costs of registration, examination or any other activities or materials without which the resident cannot achieve their programme of study.
Distance learning	Learning delivered away from the resident’s main place of employment or place of learning.
Earnings adjustment statement (EAS)	The form providers need to fill in to claim funding that cannot be claimed through the Individualised Learner Record.
Education Health & Care Plan (EHCP)	An EHCP 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
Employed	A resident who has a contract of employment. This does not include residents who are self-employed.
English for Speakers of Other Languages (ESOL)	The study of English by speakers of other languages.
ESFA	Education & Skills Funding Agency

European Social Fund (ESF)	The ESF is a structural fund from the European Union. It improves the skills of the workforce and helps people who have difficulties finding work. We are a co-financing organisation for the ESF.
Exceptional learning support	Learning support when the needs of the resident cost more than £19,000 in a single funding year.
Full level 2	The following qualifications are designated full at level 2: A General Certificate of Secondary Education in five subjects, each at grade C or above, or grade 4 or above, or a Technical Certificate at level 2 which meets the requirements for the 2018, 2019, 2020, 2021 and 2022 16 to 19 performance tables, or certain Technical Certificates in the 2017 16 to 19 performance tables (or any alternative arrangements as put in place for the 2019/20 academic year as part of the response to the coronavirus COVID-19 outbreak and associated disruption to/cancellation of assessments and examinations).
Full level 3	The following qualifications are designated full at level 3: a General Certificate of Education at the advanced level in two subjects, or a General Certificate of Education at the AS Level in four subjects, or a QAA Access to Higher Education (HE) Diploma at level 3, or a Tech Level; or applied general qualification at level 3 which meets the requirements for the 2018, 2019, 2020, 2021 and 2022 16 to 19 performance tables (or any alternative arrangements as put in place for the 2019/20 academic year as part of the response to the coronavirus COVID-19 outbreak and associated disruption to/cancellation of assessments and examinations).
Functional skills	Applied practical skills in English, maths and ICT that provide the resident with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work.
Funding and delivery profile	Includes the conditions of funding (grant) or Contract for Services; and the delivery profile you have reached with the GMCA.
Grant funded providers	Providers with a financial grant agreement
Guided learning	As defined by Ofqual: "The activity of the resident in being taught or instructed by – otherwise participating in education or training under the immediate guidance or supervision or – a lecturer, supervisor, tutor or other appropriate provider of education or training. For these purposes the activity of 'participating in education and training' shall be treated as including the activity of being assessed if the assessment takes place under the immediate guidance or supervision of a lecturer, supervisor, tutor or other appropriate provider of education or training." You can find more information in the Ofqual General Conditions of Recognition September 2016.
Hardship	Within learner support, a category of support to assist vulnerable and disadvantaged residents to remove barriers to education and training.
The Hub	The Hub provides online services including the return of your Individualised Learner Record (ILR) and completed EAS. You can also search all learning aims, components of qualifications, apprenticeship frameworks and standards along with their validity and funding details.
Immigration status	The permissions, or otherwise, granted by the government of the United Kingdom for a resident to reside here.
Individualised Learner Record (ILR)	The primary data collection requested from learning providers for further education and work-based learning in England. The data is used widely, most notably by the government, to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education.
Information, advice and guidance (IAG)	Services available to residents to enable them to consider further learning opportunities, progression and career choices.
Job outcome payments	Payments made for residents who are unemployed at the start of learning who cease learning to take up a job.
Learner file	A collection of documents and information brought together to form a single point of reference relating to the learning that is taking place. This provides the evidence to prove that the resident exists and is eligible for funding, and for the learning to be provided.

Learning aims	A single episode of learning which could be a regulated qualification, a component of a regulated qualification or nonregulated learning.
Learning support	Funding to enable providers to put in place a reasonable adjustment, set out in the Equality Act 2010, for residents with an identified learning difficulty and / or disability to achieve their learning goal.
Learner support	Funding to enable providers to support residents with a specific financial hardship that might prevent them from being able to start or complete their learning.
Learning aim reference number	The unique eight-digit code used to identify a specific learning aim.
Local flexibility	Regulated qualifications, and or their components, and non-regulated learning that the ESFA funds, that is not part of the English and maths, or level 2 or level 3 legal entitlement offer. All regulated and non-regulated learning that is available for funding through the flexible local offer is listed on The Hub.
Non-regulated learning	Learning which is not subject to awarding organisation external accreditation in the form of a regulated qualification. It may be designed, delivered and certificated by a provider or another organisation. This could include: <ul style="list-style-type: none"> • Independent living skills and engagement learning • Employability and work skills • Labour market re-entry • Technical education tasters • Community learning
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. Temporary absences from a country due to the resident or a relevant family member working or travelling abroad would be discounted when considering ordinary residency.
Personal learning record (PLR)	A database which allows residents access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities or employers.
Planned learning end date	The date entered onto the Individualised Learner record (ILR) when the resident is expected to complete their learning.
Programmes	A coherent package of learning which may include regulated qualifications, components of regulated qualifications or nonregulated learning with clearly stated aims supporting agreed outcomes.
Provision	Refers to all learning that we fund, whether it is a regulated qualification or other learning that is not a regulated qualification as detailed in the ESFA Learning Aims Reference Service https://data.gov.uk/dataset/learning-aim-reference-service or as agreed with GMCA.
Qualifications	Either from the Regulated Qualifications Framework (RQF) or an Access to Higher Education Diploma recognised and regulated by the Quality Assurance Agency (QAA).
Recognising and recording progress and achievement (RARPA)	The Learning and Work Institute have undertaken a consultation on the RARPA Cycle and have published updated RARPA Guidance. This comprises a clear framework designed to support residents through the learning process, identifying key outcomes. It provides a robust approach to quality control 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 resident can demonstrate that they can: <ul style="list-style-type: none"> • 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.
GMCA Register of training organisations (the Register)	A register that provides assurance on organisations that have a grant or contract for service with GMCA
Resident	Someone who has a home postcode in the GMCA
Residential	Support provided under learner support to residents receiving specialist provision which involves a residential element, or to support residents who cannot receive provision locally.
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.
Senior responsible person	For example: chief executive, managing director, principal or their equivalent.
Self-certification	A process where the resident is able to confirm something through their own signature.
Small or medium sized enterprise (SME)	The category of micro, small and medium-sized enterprises made up of enterprises that employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euros, and / or an annual balance sheet total not exceeding 43 million euros.
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 nonfinancial, made by central and local government to residents in certain circumstances to meet their day-to-day living needs.
Statutory entitlement	The statutory entitlement to education and training allows residents to be fully funded who are aged: 19 and over, who have not achieved a Grade A*-C, grade 4, or higher, and study for a qualification in English or maths up to and including level 2 and 19 to 23, if they study for a first qualification at level 2 and / or level 3 and 19 and over, who have digital skills assessed at below level 1.
Sub-contractor	A separate legal entity that has an agreement with you to deliver any element of the education and training we fund. A separate legal entity includes companies in your group, other associated companies and sole traders. It also includes residents who are self-employed or supplied by an employment agency, unless those residents are working under your direction and control, in the same way as your own employees.
Sub-contracting	Refers to the contracting out of specific elements of provision to a third party by a lead organisation which holds a contract with GMCA. It is not expected that second-level sub-contracting will feature other than in exceptional cases or in response to sudden unexpected circumstances which might affect the local employment landscape or a provider's previously identified supply chain.
UK Provider Reference Number (UKPRN)	A number given to all providers by the UK register of learning providers to enable them to be easily identified.
Unique resident number	A 10-digit number used to match a resident's achievement to their personal learning record (PLR).
Work Programme	A government programme operated by the Department for Work and Pensions aimed at getting long-term unemployed residents into work.

Annex E - Summary of main changes to the GMCA AEB Funding and Performance Management Rules 2019-2020

We have highlighted the changes made in the latest version of the GMCA AEB Funding and Performance Management Rules compared to the previous version we published in September 2019 in the table below.

Please note this is not an exhaustive list of all changes. You must refer to the main document for the definitive rules, which apply to all providers of education and training who receive funding from the Secretary of State for Education acting through the ESFA.

If you have a specific query on the funding and performance management rules, please email the GreaterManchesterAEB@greatermanchester-ca.gov.uk or speak to your Strategy and Partnership Manager.

Section	Paragraph	Change
1	1.4	Updated paragraph to demonstrate the strong focus on positive outcomes for residents and quality provision.
1	1.6	Updated paragraph to clarify that if GM devolved flexibilities are adopted, they must be declared in the Delivery and Financial Schedule.
1	1.10	A new GMCA devolved flexibility is under consideration to fully fund all GM residents their first level 2 qualification in Digital Skills.
1	1.19 and 1.20	A new paragraph to introduce the GMCA vision towards alternative ways of funding adult education.
2	2.1	An additional statement reflecting the current Covid-19 pandemic.
2	2.35	Additional text has been included to explain the evidence requirements.
2	2.56	Additional text has been included to highlight that non-regulated English and maths courses are only funded for learners assessed at pre-entry level with significant learning difficulties or disabilities and as part of a personalised learning programme.
2	2.59 to 2.63	The addition of new rules for the Information Technology ('digital') skills entitlement.
2	2.60	A new paragraph to advise that GMCA are considering to introduce a new devolved flexibility relating to Digital Skills Level 2.

2	2.64 & 2.65	A sentence has been added to clarify that we will fund ESOL learning up to and including level 2.
2	2.68	Additional text has been included relating to community learning.
2	2.77	The rules have been expanded to allow residents to undertake certain activities in the workplace.
2	2.86	Additional text to clarify that the level 2 qualification must be funded via AEB.
2	2.90	Additional text to clarify that the construction qualification must be funded via AEB.
2	2.101	Additional text for clarity when claiming learning support.
2	2.107	Additional text has been included in the first bullet point to clarify that learner support funding can be used for the purchase of digital kit to loan to learners for the duration of their learning programme.
2	2.120	Removal of the last bullet point in the 2019–2020 Funding Rules paragraph 2.116 relating to learners on the GM Working Well (Work and Health Programme)
2	2.121	Additional text to support learning in the workplace that leads to in-work progression and/or job sustainability.
3	3.6	A reference to Guided Learning Hours has been included.
3	3.16	An update to what we expect to have evidenced in a learner file to include information, advice and guidance.
3	3.20	A new paragraph relating to generic employability courses.
3	3.31 (draft document)	Paragraph relating to fees and charges was added in the draft document issued in May 2020 but has now been removed.
3	3.33	Additional text to reflect increased rulings around Management Fees for Supply Chain Partners.
3	3.34	The note around second level subcontracting now has its own paragraph.
3	3.38	Additional wording to make GMCA's expectations clear for sub-contracting arrangements.
3	3.39	Additional text to clarify the evidence types to demonstrate the knowledge, skills and experience providers have of managing sub-contractors.

3	3.41	A new paragraph confirming that subcontractors with subcontracts of £100,000 or more may be subject to a compliance visit.
3	3.43	A new paragraph to stress that it is the prime provider's responsibility to performance manage the sub-contractor to ensure high quality delivery in adherence to these Funding Rules.
3	3.44	A new paragraph to ensure all GMCA AEB funded providers, including supply chain partners, provide necessary course information as requested by GMCA.
3	3.45	A new paragraph to make clear how providers can request new sub-contracting arrangements in-year.
3	3.46	A new paragraph to clarify that providers can actively manage supply chain values within the overall sub-contracted pot. Providers must seek approval if they wish to move funding from direct delivery to sub-contractors and vice versa.
3	3.47	A new paragraph to make clear what GMCA can request as part of audits to monitor supply chain management.
3	3.48 to 3.51	New paragraphs to introduce the reporting of your subcontracting arrangements via the completion of a subcontractor declaration.
3	3.52	A new paragraph to make clear that all subcontractor activity must be clearly identified on the ILR.
3	3.55	Additional text to clarify the expectation of learners' destinations being recorded on the ILR at the end of a learning episode. The use of destination unknown must not be the default response.
4	4.17	GMCA's Performance Management Framework now involves a four stage approach.
4	4.27	GMCA reserves the right to perform Compliance Monitoring for any provider, including sub-contracted provision.
4	4.29	Additional items have been included in the compliance checks.
4	4.38	A new paragraph detailing the new Level 3 Escalation approach to performance management.
4	4.39 to 4.41	Formal action is now the fourth stage of the GMCA Performance Management Framework.
Annex C	Community Learning	A new paragraph as GMCA expect that the acquisition of skills gained through community learning should prepare

		residents for a range of next steps, including progress towards further learning, employment or self-employment. Community learning courses must be appropriate for the resident, have clear pathways identified and lead to progression.
Annex D	Glossary	The Change Process and Devolved Area Monitoring (DAM) codes are added to this section.