

## Appendix 3: Supplementary Evidence

 <p>East Midlands Combined County Authority</p>	<p>Adult Skills Fund (formerly Adult Education Budget) Readiness Self-Assessment</p> <p>Supplementary Evidence Pack</p>
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DRAFT SUBJECT TO EMCCA APPROVAL

## **East Midlands County Combined Authority (EMCCA):**

The East Midlands devolution deal signed in August 2022 enabled the creation of England's first Combined County Authority (CCA). In doing so it secured significant funds and powers for the region and empowered local people to make the decisions that influence jobs and skills, the quality of the region's transport infrastructure, housing investment, and the region's diverse natural environment. The four constituent councils' – Derby City, Derbyshire County Council, Nottingham City and Nottinghamshire County Council - subsequent approval of the creation of the East Midlands County Combined Authority (the EMCCA) in December 2023 will now see the region benefit in the first instance from a £1.14 billion investment fund over 30 years including the devolution of the Adult Education Budget (moving to the Adult Skills Fund) (ASF).

The East Midlands Combined County Authority Regulations 2024 ("the 2024 Regulations") came into force on 28 February 2024, with the majority of its provisions applying immediately and the remaining provisions coming into force with the election of a Mayor for the East Midlands Combined County Authority area in May 2024.

The constitution, assurance framework and the initial governance framework for the EMCCA were approved at its inaugural meeting held on 20<sup>th</sup> March 2024. It is important for the Department for Education (DfE) to appreciate that the EMCCA is less than three months old at the time of submitting the ASF devolution readiness: self-assessment evidence checklist.

DfE have acknowledged that the submission date of 31<sup>st</sup> May 2024 is a single point in time to give the EMCCA an opportunity to set out its current understanding and approach to meeting the ASF readiness conditions. Where processes, systems, communications, documentation are not fully developed and/or approved we will put forward timescales as to when we anticipate the EMCCA will arrive at a satisfactory position prior to August 2025.

### **Stakeholder Consultation**

As progress is made in ensuring the EMCCA has all the relevant processes, systems and documentation in place an extensive programme of stakeholder consultation with FE colleges, local authorities, providers, DWP voluntary community and other stakeholders will take place to help shape the devolved ASF.

The EMCCA is committed to working with its provider base and wider stakeholders and will work jointly at the design and planning stage on the proposed funding and delivery arrangements with a view to:

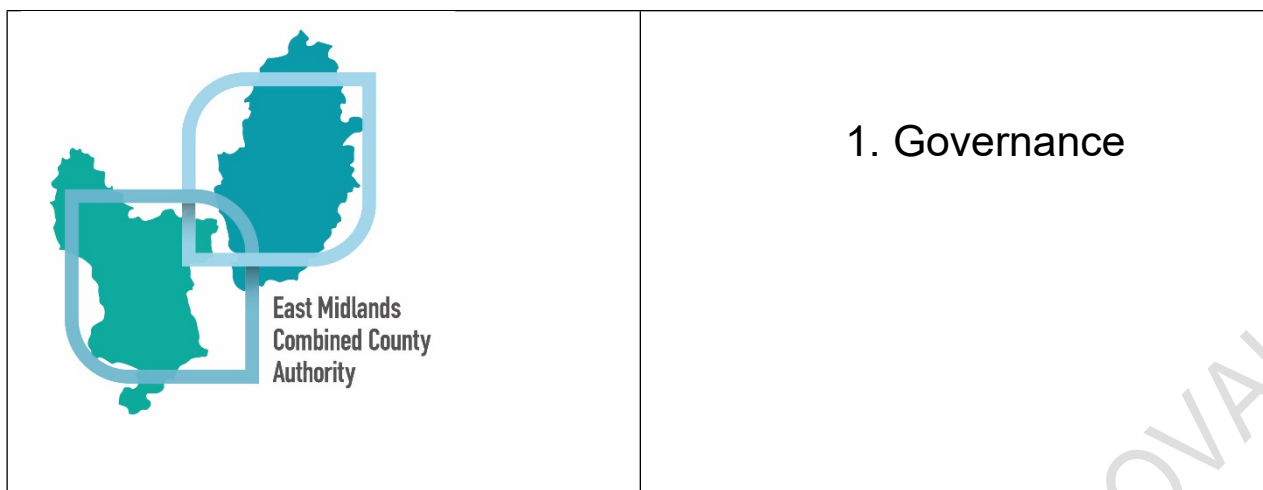
- Building positive relationships;
- Enabling providers to understand and meet the EMCCA needs;
- Enabling the EMCCA to understand what providers need to plan and respond properly to deliver adult education for the CA

The remainder of this document is to provide DfE with supplementary information on the following sections of the readiness conditions:

1. Governance
2. Financial
3. Procurement
4. Contracting and Funding Agreement
5. Payments
6. ASF policy: funding rules and learner eligibility. Provider allocations and Funding Rates
7. Data Collections
8. Provider Management

Any information that will be submitted **will be in draft format and will require the EMCCA approval** before being adopted as its approach to delivering the ASF.

DRAFT SUBJECT TO EMCCA APPROVAL



**The EMCCA Constitution** sets out how the EMCCA will work, make decisions, and the procedures the it will follow to make sure its work is efficient, and effective, and is both transparent and accountable to local people. Some of these procedures are set by law, while others are ones the EMCCA have chosen to follow. The purpose of the Constitution is to:

- Enable the EMCCA to provide leadership to the community in partnership with councils, citizens, businesses, and other organisations.
- Support the involvement of residents in the process of local decision-making.
- Enable decisions to be taken efficiently and effectively.
- Provide ways to hold decision-makers to public account.
- Ensure that no one reviews or scrutinises a decision in which they have been directly involved.
- Clarify who takes decisions and ensure that decision-makers explain the reasons for decision, and
- Help deliver the EMCA vision of a more prosperous East Midlands area.

The Monitoring Officer will regularly monitor and review the operation of the constitution, this will include an annual review to ensure that it remains fit for purpose.

Please see pages 49 - 53 of the Constitution for the EMCCA Board Terms of Reference (ToR) and pages 57 – 59 of the Constitution for the Skills and Employment Advisory Committee TofR.

**The EMCCA Assurance Framework** set out how the EMCCA will use public money responsibly, openly and transparently, and accountably to achieve best value for money for the East Midlands region.

At the EMCCA's Inaugural Meeting held on 20<sup>th</sup> March 2024 a detailed report describing **the EMCCA initial governance arrangements** was approved. The initial governance arrangements demonstrate a commitment to good governance principles and ensure effective accountability in the decision-making of the combined county authority. The governance framework has been developed to provide the platform for effective decision-making, strategy development and appropriate oversight and scrutiny, with the potential to build on that as the EMCCA develops.

Where relevant policies such as complaints, whistleblowing and conflict of interest are still being developed the EMCCA ask the DfE to allow submission of these policies at a later stage.

## ASF Operational Governance

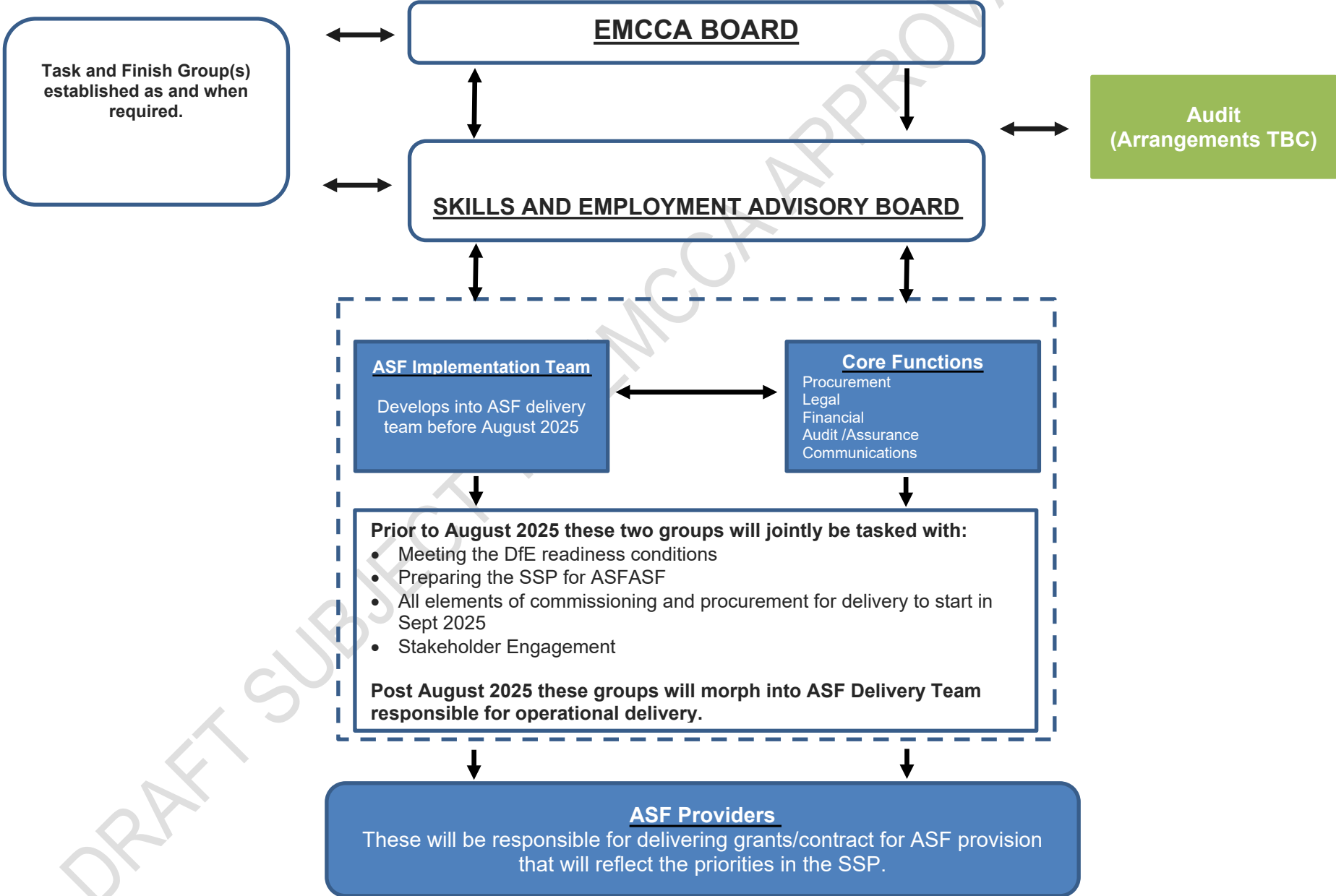
The accountability of the devolved ASF function will always remain with the EMCCA Board. However, once the implementation period is over and when delivery starts in August 2025, the EMCCA will need to be able to deliver the ASF flexibility and responsively to ensure it is fully maximised and prevent issues, delays or constraints with our provider base and learners.

To achieve this, it is anticipated that additional formal ASF delegation arrangements will be established. Consideration of the ASF operational delivery is underway and the following sets out a draft scheme of delegation and ASF delivery structure.


<u>EMCCA Board</u>	<u>Skills and Employment Advisory Board.</u>	<u>ASF Delivery Team</u>															
<p>Approval and review of the ASF Assurance Framework</p> <p>Approval of ASF programme plan each year and oversight of its implementation.</p> <p>Governance and decision-making arrangements</p> <p>Approval of the annual budget, including the main budget categories, including Grant, procured provision and admin costs, but also other key budget headings (such as an innovation pot).</p> <p>ASF commissioning strategy, including 'indicative' and 'final' provider allocations</p> <p>In-year budget changes where funding is transferred between the main budget Categories</p> <p>Strategic direction and priorities (including those identified through stakeholder consultation activities).</p> <p>Policy decisions that cannot be aligned to the overall strategic direction.</p> <p>Annual agreement of 'draft' and 'final' ASF Funding Rules and Rates.</p> <p>Termination of an ASF contract for services/grant agreement.</p> <p>Substantive in-year changes to ASF Funding Rules and Rates to improve provider management or to implement new EMCCA policies,</p> <p>Any novel, contentious or repercussive decisions, and any decisions referred to EMCCA Board.</p>	<p>In year changes (budget reprofiles) that remain within budget allocations</p> <p>Transfers between sub-categories within the Administration budget line</p> <p>Agreement of research and evaluation priorities, consideration of findings and approval to publish final reports.</p> <p>Approval of any formal stakeholder consultation exercise(s) designed to inform Strategy and/or Policy.</p> <p>Procedural matters relating to contracts/grant agreements:</p> <p>Agreeing the standard form of contract/grant agreement.</p> <p>Entering into provider contracts/grant agreements.</p> <p>Significant variations to terms of contract/grant agreement) i.e. variation to the standard form of contract/grant agreement;</p> <p>Changes to individual provider allocations (payment profiles/deliverables) including:</p> <ul style="list-style-type: none"> <li>Approval of payment profile (in line with previously agreed policy)</li> <li>Significant variations to the value of a contract for services/grant agreement.</li> <li>Significant' growth requests and reduction statements.</li> </ul>	<p>Day-to-day delivery of ASF Programme in accordance to agreed policies, processes, and procedures.</p> <p>Procedural matter relating to contract/grant agreements.</p> <p>Minor variations to the standard form of contract/grant agreement</p> <p>Variations to a payment profile (where the overall contract/grant value remains unaltered)</p> <p>Non-significant growth or reduction requests</p> <p>Changes to volumes or services which do not impact on the value of a contract of Services/Grant ASF</p> <p>Minor changes to EMCCA Funding Rules to improve consistency or to correct a clerical error or to ensure compliance with evolving legislation.</p> <p><b>Table below shows non-significant values that the EMCCA may follow:</b></p> <table border="1"> <thead> <tr> <th><b>Commitment Value</b></th> <th><b>Max change in value %</b></th> <th><b>Mac Change</b></th> </tr> </thead> <tbody> <tr> <td>£&lt;300k</td> <td>30</td> <td>n/a</td> </tr> <tr> <td>£300k - £1m</td> <td>20</td> <td>£100k</td> </tr> <tr> <td>£1m - £3m</td> <td>15</td> <td>£300k</td> </tr> <tr> <td>&gt;£3m</td> <td>10</td> <td>£500k</td> </tr> </tbody> </table>	<b>Commitment Value</b>	<b>Max change in value %</b>	<b>Mac Change</b>	£<300k	30	n/a	£300k - £1m	20	£100k	£1m - £3m	15	£300k	>£3m	10	£500k
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DRAFT SUBJECT TO EMCCA APPROVAL

**EMCCA ASF Operational Structure Chart**





 <p>East Midlands Combined County Authority</p>	<h2>2. Financial</h2>
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The EMCCA is required to appoint an audit committee and one or more overview and scrutiny committee. These are statutory committees. [The EMCCA Constitution](#) sets out how the audit committee and overview and scrutiny committees will work and provides ToFR for both committees.

The function of the Audit & Governance Committee is to:

- Review and scrutinise the EMCCA financial affairs
- Review and assess the EMCCA risk management, internal control and corporate governance arrangements.
- Review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the EMCAA functions.
- Make reports and recommendations to the EMCCA in relation to reviews conducted under paratha bullets above.
- Implement the obligation to ensure high standards of conduct amongst Members.

The function of the Overview & Scrutiny Committee is to:

- Review or scrutinise any decision made, or other action taken, in connection with any Non-Mayoral Function or Mayoral Function of the EMCCA.
- Make reports or recommendations to the EMCCA, with respect to any Non-Mayoral Function of the EMCCA.
- Make reports or recommendations to the Mayor, with respect to any Mayoral Function of the EMCCA.
- Make reports or recommendations to the EMCCA or the Mayor on any matter that affects the EMCCA area or the inhabitants of the area.

[The EMCCA Assurance Framework](#) sets out the EMCCA approach to Risk Management. The EMCCA's Chief Executive will be responsible for the identification and management of risk for the overall investment programme. Key risks for the ASF will be added to the Corporate Risk Register and will be monitored (alongside the performance monitoring procedures) by Internal Audit & Risk and reported to the Audit and Governance Committee.

The CCA will establish a comprehensive risk management framework (RMF), which supports the identification and management of opportunities and risks across the ASF. This process will be robust, transparent and invite and support challenge, innovation and excellence across the investment programme and its deliverable outcomes.

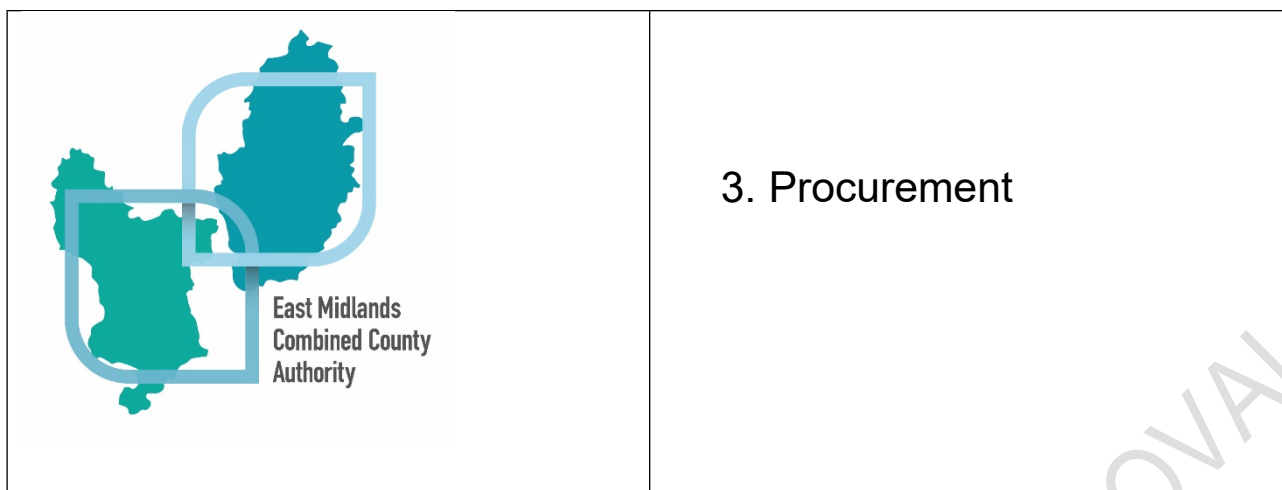
The EMCCA RMF is currently being designed and will embody the recommended principles (HMT Orange Book 2020) ensuring effective risk management is integral. This will include:

- RMF will be incorporated into the EMCCA governance and leadership.
- RMF will be an integral element of the evaluation and decision-making processes at all levels.
- Be collaborative and transparent with the appropriate level of expertise.
- Will include risk identification & assessment.
- Identification & treatment of risk options
- Risk monitoring
- Risk reporting & management oversight
- Subject to continual review & improvement

The EMCCA will begin attending the ASF Devolution Audit, Assurance, Fraud and Investigation (AAFI) Network that comprises of DfE and other CA's. This will support the development of the strategic and operational Audit and Assurance approach to ASF.

As the EMCCA is currently developing its first Audit and Risk Register we ask that the information required in the Readiness Self- Assessment check list will be submitted. This will include:

- Audit Plan
- Risk Management Approach.
- Risk Register
- Minutes of meetings



The following identifies the plans, systems and processes EMCCA will deploy to procure /commission ASF provision and compliance with the appropriate legal regulations for procurement.

At its inaugural meeting the EMCCA Board agreed to undertake all its Commissioning and Procurement via a Service Level Agreement with Nottinghamshire County Council (NCC).

As a Public Sector organisation NCC runs all its procurements under Public Contract Regulations 2015 (PCR 2015) and move under the Procurement Act 2024 once this is implemented. All decisions will also comply with NCC corporate governance, financial, legal and procurement frameworks and processes.

NCC procurement policy is for all procurement to be based on value for money. The key principles under the Procurement Act are delivering value for money, maximising public benefit, and acting with integrity which we will adhere to through all our procurement activity.

NCC spend approximately £620 million each year with external organisations, their procurement is considered transparent and fair when conducting business with suppliers and contractors.

For more information on NCC Procurement Policies relating to advertising contracts, pre-qualifications questionnaire, selecting a contract and awarding a contract please see - [Procurement policies | Nottinghamshire County Council](#)

### **Procurement Design:**

The EMCCA will undertake all its procurements including the ASF through a full Procurement Lifecycle as advised by NCC ensuring it uses an open, fair and transparent process.

NCC will design the EMCCA procurement/commissioning of ASF with a robust outcome focused and market ready specification. NCC will ensure the ASF procurement delivers value for money and high-quality skills training. To ensure stronger delivery of contracts, NCC will use evaluation questions to meet needs of EMCCA residents, and be outcome focused and introduce robust Key Performance Indicators and hold providers to account with robust contract management arrangements.

## **NCC contract management process aligned to procurement:**

Contract management encompasses three key areas – service delivery management, relationship management and contract administration. The development of sound contract management processes and support from the Procurement Centre will enable a consistent corporate approach to contract management is embedded into the Council through;

- using clear and robust evaluation criteria;
- monitoring and reviewing contract management performance within the Council;
- identifying risks which exist in the performance of contracts;
- monitoring expenditure of supplier spend on an annual basis

We will work with our supplier chain to ensure that both parties are delivering against the commitments within contracts and build upon mutual experience and knowledge to embed continuous improvement practices throughout the contracted period. We will work with commissioners to ensure the development of effective Key Performance Indicators for all contracts. We will implement contract management guidance across the EMCCA to ensure that all contracts across the EMCCA are managed to a consistent standard and on a risk basis.

As the EMCCA is currently developing its first Procurement for ASF we ask that the information required in the Readiness Self- Assessment check list. This will include:

- EMCCA Commissioning Strategy



The following information is to provide DfE with relevant information to meet ASF Devolution Readiness: Self-Assessment Checklist relating to contracting and funding agreements.

### **Financial Due Diligence**

Section 4.2.3 of [the EMCCA Assurance Framework](#) sets out the EMCCA commitment to undertaking due diligence activities to support effective decision making. The EMCCA will be responsible for determining how to apply its due diligence processes and with regard to the ASF this process is to be determined. It is noted that effective and comprehensive due diligence will be conducted prior to taking any final decision to fund ASF providers, and before the first payment will be released. This will be to ensure the EMCCA does not place itself, learners or public money at risk.

### **Contracting and Funding Agreements**

Subject to approval it is currently expected that the EMCCA will adopt a dual approach to contracting the ASF. This will involve a combination of grant funding agreements and procured contracts for services. For year one it is expected that the EMCCA will take a roll over approach from the ESFA.

### **Key Considerations**

Some key considerations for each approach are set out below and will be further developed.

### **Grant Agreements**

Pending approval, the EMCCA will establish grant funding agreements utilising existing DFE agreements and tailoring to EMCCA's requirements with Further Education (FE) Colleges based in the EMCCA region and the EMCCA Local Authorities which currently deliver ASF funded provision, on the grounds that:

1. They form part of the EMCCA area state-maintained system of public education and its associated asset base and infrastructure which is funded wholly, or mainly, from the public purse and which has the EMCCA area residents and "place" as the primary focus of their activity;
2. These providers cannot choose not to engage with policy changes, nor can they substantially shift their core business focus or suddenly cease operating; the FE

regulatory framework and FE insolvency regime recognise the particular position/status of colleges and provides additional protection for learners which does not apply to learners in other institutions;

3. Ensuring compliance with legal requirements and obligations regarding educational provision.
4. Tailoring learning opportunities to meet the specific needs and goals of the East Midlands.
5. Aligning curriculum offerings with identified skill requirements and development goals within the region.
6. Recognising the need for adaptability to respond to changing circumstances and emerging priorities over time.
7. Aligning provision to delivery plans for EMCCA's Strategic Skills Plan.

The above approach could change over time, although it will enable short to medium term continuity of funding and certainty for FE colleges and Local Authorities.

The EMCCA will also need to assess the role of Specialist Designated Institutions who currently hold ASF Grant Agreements

The EMCCA will develop a regular process with local Further Education Colleges and Local Authorities to determine the scale and balance of provision that will continue to deliver the legal entitlements whilst offering a range of learning opportunities that take account of local priorities and links with other initiatives.

It is expected that grant funded providers will be required to submit a delivery plan as part of the allocations process, setting out their curriculum offer, including how it will align with the Strategic Skills Plan, LSIP priorities, delivery models etc.

Grant agreements will include delivery targets over the course of the agreement and performance will be monitored against regular performance points as part of the (still to be developed) provider management and audit arrangements.

The EMCCA has yet to agree its approach to under-performance, but at the very minimum it is expected that the EMCCA will reserve the right to rebase providers' allocations. Where providers have identified and worked with the EMCCA to manage any underperformance, EMCCA may discuss the requirement for re/-basing, where providers do not declare underperformance EMCCA may rebase allocations automatically.

The EMCCA is considering an approach where it will pay providers operating under grant agreement a standard national DFE profile. The EMCCA will continually engage with providers during each academic year on the appropriateness of this profile and will consider alternative arrangements should they be proposed or needed.

The EMCCA will hold performance management meetings (to be determined under the provider management arrangements). It is envisaged such meetings will focus on strategic plans and whether providers are progressing in achieving the activity set out in their delivery plan, and funding returns. At these points, significant under/over delivery, re-deployed and re-profiling of funding will be discussed.

The EMCCA has yet to agree its approach to 'in year' growth and there is no guarantee that EMCCA will be able to award growth. Any growth requests will need to follow a yet to agreed process, but will need to be in line with EMCCA ASF Investment Plan/SSP. Equally, there is no guarantee that any over delivery will be funded.

The EMCCA will consider the appropriateness of retaining the 97% tolerance that the ESFA has applied in recent years and will confirm its approach to funding tolerances as part of developing its funding rules.

### **Procurement and Contract for Services**

All non-grant funded providers that wish to deliver ASF funded provision to EMCCA residents from 2025/26 will be required to participate in a competitive tender, in accordance with relevant legislation.

The EMCCA will award contracts for services following a comprehensive procurement exercise. The length of contracts are still to be agreed. Each contract for service will be awarded in line with a detailed specification for the relevant lot.

The EMCCA is considering an approach that will pay contract for service providers on actual delivery, paid monthly in arrears. Individual delivery profiles will be developed for each provider in receipt of a contract in order to monitor performance.

The EMCCA will hold monthly performance management meetings (to be determined under the provider management arrangements), which will focus on how providers are progressing in achieving the activity set out in relevant delivery plan, and funding returns.

The EMCCA's approach to under/over delivery for providers delivering contracted services is yet to be agreed.

The EMCCA have yet to agree its approach to 'in year' growth and there is no guarantee that EMCCA will be able to award growth. Any growth requests will need to follow a yet to be agreed process but will need to be in line with EMCCA priorities. Equally, there is no guarantee that any over delivery will be funded.

Irrespective of route it is expected that the EMCCA will require providers to:

- Develop an Annual Delivery Plan for year 1, including expected volumes of learners by Sector Subject Area, level, tailored learning, qualifications (subject to contract type), Local Authority Area, delivery method, learner and learning support profiled delivery volumes and all planned subcontracting arrangements.
- Providers with a significant contract value will be expected to co-develop an Accountability Agreement with the EMCCA that demonstrates their commitment to EMCCA's strategic aims or to ensure that this is covered in their Annual Accountability Statement produced for DfE.

### **Subcontracting arrangements**

The EMCCA understands that subcontracting can play a critical role in providing outreach to communities, supporting alternative routes to learning, enabling specialist and niche provision, and creating partnerships which benefit learner progression.

Acknowledging the benefits that subcontracting can provide, the EMCCA is currently considering its approach and is using the ESFA subcontracting standard to inform this approach.

Irrespective of initial subcontractor approach in year one, the EMCCA will closely monitor subcontracting activity throughout 2025/26 and beyond to identify if any subcontracted activity would be more appropriate to be directly delivered by main providers.

## Contracting Documentation

The EMCCA will make use of the current 2023-24 and then the 2024/25 ESFA contract and grant agreements and modify them to align with the EMCCA requirements for the delivery start date of 2025/26. Final contracting arrangements/documents will be checked by appropriate Legal colleagues to ensure validity prior to issue.

The exemplar documents that will be used to base EMCCA documents will be:

Contract for Services	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/ESFA_Education_and_Skills_agreements_2022_to_2023_-_GOV.UK.pdf">ESFA Education and Skills agreements 2022 to 2023 - GOV.UK (www.gov.uk)</a>
Grant contract – Local Authority	<a href="https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/ESFA_Adult_Education_Budget_ASF_Local_Authority_Accountability_Agreement_2023_to_2024_Schedules_2_and_3.pdf">ESFA Adult Education Budget ASF Local Authority Accountability Agreement 2023 to 2024 Schedules 2 and 3.pdf (publishing.service.gov.uk)</a>
Grant Contract – College	<a href="https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/ESFA_Adult_Education_Budget_ASF_College_Accountability_Agreement_2023_to_2024_Schedules_2_and_3.pdf">ESFA Adult Education Budget ASF College Accountability Agreement 2023 to 2024 Schedules 2 and 3.pdf (publishing.service.gov.uk)</a>

The following sets out a draft contents page for a Grant/Contract of Services that shows the key points currently being considered and will potentially be included in the EMCCA documents.

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Definitions

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 Fraud and irregularity  
 Rectification

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 Dispute resolution procedure

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Assignment of ipr in databases  
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Submission of learner data  
Security  
Freedom of information and confidentiality

#### **PART 5: WORKFORCE**

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#### **PART 6: PAYMENT AND AUDIT**

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Prohibited acts

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Consequences of termination and expiry  
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#### **PART 9 - GENERAL PROVISIONS**

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Service of notices  
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No agency  
Exercise of statutory authority  
Public relations and publicity  
Amendments to this contract  
Waiver  
Severability  
Law and jurisdiction  
Interest on late payments  
Mitigation  
Further assurance  
Third party rights  
Continuing obligations

#### **Examples of Schedules**

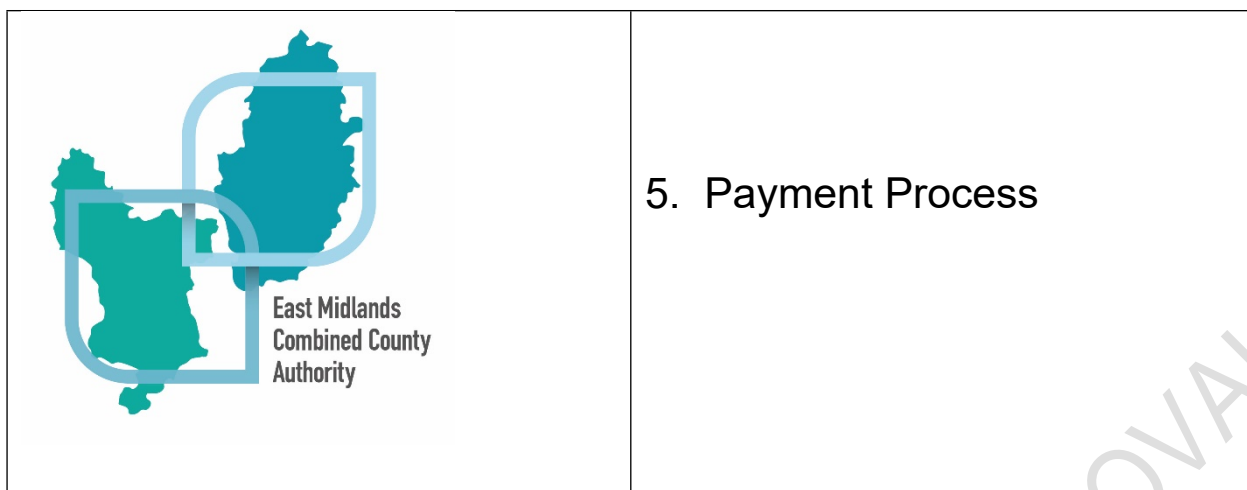
Schedule 1: Monitoring schedule  
schedule 2: Payment  
schedule 3: Change control procedure  
schedule 4: Tupe

schedule 5: Uk GDPR and data protection  
schedule 6: Security & EMCCA policies  
schedule 7: Exit arrangements  
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schedule 12: Open book contract management  
schedule 13: Transparency reports  
schedule 14: Contractor's response/proposals  
schedule 15: Volumes and values  
schedule 16: KPI's and social value

As the EMCCA is currently developing its contracting and funding agreements we ask that the information required in the Readiness Self- Assessment check list can be submitted. This will include:

- EMCCA Grant Funding Agreement
- EMCCA Contract for Services.
- Detailed subcontracting plans

DRAFT SUBJECT TO EMCCA APPROVAL



At its inaugural meeting on 20<sup>th</sup> March 2024 the EMCCA Board agreed to adopt the [Financial Regulations of Derbyshire County Council](#) (DCC) and its use of SAP S4Hana financial system for its budgeting, accounts receivable and accounts payable functions.

DCC budget for 2024/25 has been set at £714.8m and has extensive experience of financial managing projects/programmes at the scale in excess of the proposed ASF budget of £53m.

DCC SAP S4Hana financial system is fully integrated with the Banking Automated Clearing System (BACS). DCC makes four payment runs per week ensuring regular payments can be made. Payments are made using a two-person approval process in the vendor invoice management (VIM) system to ensure separation of duties.

A full and detailed payments process is currently being developed for devolved ASF/FCFJ. We can confirm that this will be tested to ensure it is aligned to the emerging funding rules, provider management arrangement and is reflected in relevant grant/contracting arrangements.

The following sets out the payment arrangements that are currently under development:

- The EMCCA is proposing to run a BACS payment on the 15th working day of each month, following the proposed timeline set out below:

Day of Month	Action
Workday 4	Provider submits ILR to ESFA
Workday 5	ESFA runs validation checks
Workday 6	EMCCA receives EFSA reports
Workday 7	EMCCA checks accuracy of returns
Workday 15	EMCCA Bacs run to providers

### **Grant Funded Providers**

- The EMCCA is considering an approach where it will pay grant funded providers on a standard national profile of 12 equal instalments, except for FCFJ where providers will be paid on actual delivery in arrears. The details of this are yet to be agreed but will form part of the providers delivery plan and be included in the grant agreement.
- Process for under/over performance, growth and reconciliation are still to be determined.
- The detailed claims process between the EMCCA and grant providers and then

EMCCA and DCC are still being developed.

### **Contract for Services**

- The EMCCA is considering an approach where it will pay procured providers / those operating under a contract for service on actual delivery each month, up to the contract value for the financial year.
- The EMCCA will calculate the value of actual delivery using the latest validated ILR and EAS data provided to the ESFA.
- Process for under/over performance and growth still to be determined.
- The detailed claims process between the EMMCA and Contract for Services Providers and then the EMCCA and DCC is still being developed.


### **Cross border funding and learners**

The EMCCA will only have responsibility and funding to support EMCCA learners. Learners travelling into the EMCCA area from other regions will require the provider to have a national contract or grant agreement with ESFA, or the MCA/CCA in which the learner is a resident.

We are aware that the DfE are developing national guidance on these issues and the EMCCA will take due regard to this guidance and will enter into discussions with its neighbouring MCA's to develop cross-border agreements as they implement their own devolved budgets.

As the EMCCA is currently developing its payments processes we ask that the information required in the Readiness Self- Assessment check list can be submitted. This will include:

- A detailed payment process.
- Evidence that the process has been tested and works.
- Agreed approach to cross border funding.

 <p>East Midlands Combined County Authority</p>	<p>6. ASF policy: funding rules and learner eligibility.</p> <p>Provider allocations and Funding Formula and Rates</p>
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In year one of ASF delivery the EMCCA is proposing to build on the foundations of the current EFSA documentation. The ESFA have recently released the new Adult Skills Fund funding rules [Adult skills fund: funding rules 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/adult-skills-fund-funding-rules-2024-to-2025), which replaces the ASF funding rules. The impact of these changes will need to be scrutinised to help develop the EMCCA funding rules for 2025/26 academic year.

The EMCCA will publish its funding rules on an annual basis and in a timely manner and in advance of the start of each funding year. These rules will be published in a format that is accessible and downloadable and will confirm how funding is earned, learner eligibility, contracting and subcontracting, evidence requirements, payment and performance management arrangements.

### Draft Funding Rules:

The following provides an example contents page for the EMCCA Funding Rules to show the key points currently being considered for inclusion.

#### Contents

1. Introduction to the Adult Skills Fund
2. Purpose of the document
3. Understanding the terminology
4. Contact us
5. Section 1 - General funding requirements
6. Principles of funding
7. Who we fund
8. Residency eligibility
9. Learners who live in Wales, Scotland or Northern Ireland
10. Temporary residence in the UK for educational purposes
11. Temporary absences from the UK
12. Learners who have applied for an extension or variation of their immigration permission
13. Learners with limited length visas
14. UK nationals and other persons with right of abode
15. UK nationals in the EEA and Switzerland
16. EEA and Switzerland nationals in the UK
17. EEA and Switzerland frontier workers
18. Family members of EEA or Swiss nationals
19. Irish citizens in UK or Republic of Ireland
20. Irish citizens in EEA and Switzerland

21. Other non-UK nationals
22. Family members of an eligible person of Northern Ireland
23. Long residence
24. Individuals with certain types of immigration status and their family members
25. Children of Turkish workers
26. Asylum seekers
27. No recourse to public funds conditions
28. Individuals who are not eligible for funding
29. Learners in the armed forces
30. Fees and charging
31. Qualifying days for funding
32. Recognition of prior learning (RPL)
33. Breaks in learning
34. What we will not fund
35. Evidence
36. Section 2 – ESFA funded ASF
37. Learning for Level 2 and below (including the full level 2 entitlement)
38. Learning at Level 3 legal entitlement and the level 3 free courses for jobs
39. Level 3 free courses for jobs offer
40. English, maths and digital for those aged 19 or older
41. General funding principles for English, maths and digital entitlement
42. Government contribution charts
43. Chart 1: 19 to 23-year-olds
44. Chart 2: 24+
45. Earnings threshold
46. Heavy goods vehicle (HGV) driver training
47. Work placement for 19 to 24 year olds
48. Sector-based work academy programme (SWAP)
49. Prince's Trust Team programme
50. English for speakers of other languages (ESOL)
51. Learners with learning difficulties and/or disabilities
52. Learners with an education, health and care (EHC) plan
53. Tailored learning
54. Funding for developing innovative provision
55. Support funding
56. Learning support
57. Exceptional learning support claims above £19,000
58. Learner support
59. Hardship
60. 20+ Childcare
61. 19-year-olds Care to Learn
62. Residential access funding
63. ICT devices and connectivity
64. Job outcome payments
65. Annex A: eligibility for funding
66. Annex B: Devolution of adult education functions
67. Annex C: Government contribution charts – text version
68. Annex D: Qualifications
69. Full Level 2 Qualification
70. Full level 3 Qualification
71. Approved qualifications
72. Annex E: Evidence
73. Evidence Pack
74. Confirmation and signatures

75. Starting, participating and achieving
76. Leaving learning
77. Individualised learner record (ILR)
78. Self-declarations by learners
79. Glossary

As the EMCCA is currently developing its Funding Rules we ask that the information required in the Readiness Self- Assessment check list can be submitted. This will include:

- A copy of the EMCCA draft funding rules.

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The EMCCA has established Data Sharing Agreements (DSAs) with the DfE for access to the

- Localities Cube
- DfE ASF Data

The EMCCA will continue to work proactively with DfE by attending the Devolution Data Governance Group to identify data needs. Where it is recognised that additional data requirements go beyond what is currently in existing DSAs, the EMCCA will work collaboratively with DfE on any new data requirements.

The EMCCA will wish to develop a formal relationship and meet with the DfE Place Based Team to enable a partnership approach to understand the impact of all commissioning decisions by both parties and establish timely exchanges of information to enable both the EMCCA and DfE to take account of the cumulative effect on both providers and learners.

In addition, the EMCCA will also review data needs from other Government Depts such as the Department for Work and Pensions (DWP) as programmes the EMCCA will be accountable for such as Universal Support may need to be reflected in ASF delivery to ensure economies of scale, avoid duplication and value for money for both funding streams.

### **Monitor and evaluation the effectiveness of the education and training funded through the ASF**

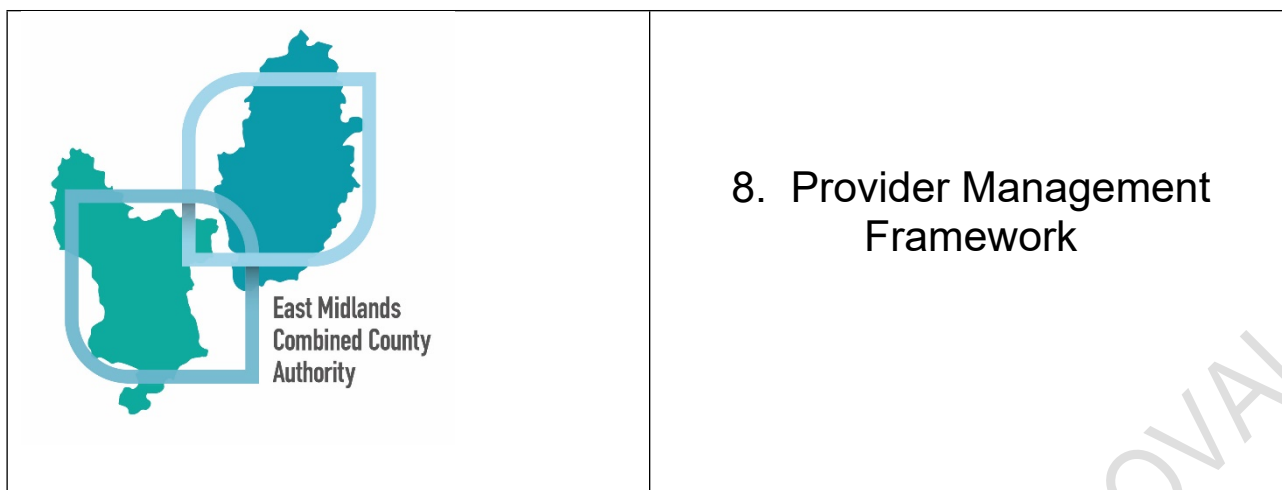
The EMCCA is committed to measuring the impact of provision and value for money funded through its Adult Skills Fund (ASF) and to evaluating the impact of changes it will make to policy and management. The EMCCA is currently developing a programme and suite of evaluation tools it may utilise to measure impact and identify areas for improvement.

We use insight from learner survey, monitoring visits and outcomes to:

- Inform, refine and improve ASF processes, systems and policies
- Demonstrate the impact of the ASF to citizens, government and other stakeholders
- Help build the case for further ongoing investment in adult education
- Inform the design of other EMCCA programmes.

Evaluations for Community/Tailored Learning will commence at the end of year 1 of devolution, and a further ASF wider impact evaluation will commence at the end of year 3 of devolution.





The EMCCA is currently developing its Provider Management arrangements which are being informed by our MCA ASF Buddy (Liverpool) and also the DfE College oversight: support and intervention guidance [College oversight: support and intervention - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/college-oversight-support-and-intervention). [In addition we are reviewing best practice across other devolved MCA's.](#)

The EMCCA Provider Management Framework (PMF) document will inform all providers delivering ASF funded provision of the performance management arrangements and monitoring framework that will be applied to their ASF delivery. This will not be a standalone document and will need to be viewed as guidance document with the full terms and conditions contained within the Grant Funding Agreement, Contract for Services and EMCCA Funding rules.

The information below provides details of the areas that will be considered as part of the PMF:

### **Governance**

### **Performance and Partnership**

Agreement Types

Grant funded providers.

Financial Intervention Regime for Grant providers

Contracts for service providers

Financial due diligence.

### **Performance Management**

Performance Management Principles

Performance Management Approach

Performance Reviews

Interventions

Local EMCCA ASF Funded Intervention

Link to National Intervention

Subcontracting

### **Data**

Data submissions

Individualised Learner Record (ILR)

Provider ILR requirements

Data validation undertaken by EMCCA

## **Payments and Reporting**

Payment timeline

## **Audit & Assurance**

Policies and Insurance

As the EMCCA is currently developing its Provider Management Arrangements we ask that the information required in the Readiness Self- Assessment check list can be submitted as per Gantt chart attached. This will include:

- A copy of the EMCCA Provider Management Arrangements

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## **Forward Plan**

The following Gantt Chart sets out the key tasks the EMCCA will undertake and the completion timescales.





