

Greater Manchester Combined Authority

Date: 28 March 2025

Subject: GM Adult Skills

Report of: Councillor Eamonn O'Brien, Portfolio Lead for Technical Education, Skills, Work;
Sara Todd, Portfolio Lead Chief Executive for Digital, Technical Education, Skills,
Work.

Purpose of Report

To provide members with an update on:

- the achievements and performance of GM's devolved Adult Education Budget (AEB) for the 2023/2024 academic year,
- the developments and progress of GM's Adult Skills for the current 2024/2025 academic year,
- set out priorities and plans for the 2025/2026 academic year, and
- set out proposed direction of travel for Integrated Settlement- bringing together skills & work.

Recommendations:

1. The GMCA is requested to consider and note:

- the achievements and performance of GM's devolved Adult Education Budget (AEB) for the 2023/2024 academic year, set out in Section 2.
- the developments and progress of GM's Adult Skills for the current 2024/2025 academic year, set out in Section 3.
- the approach towards integration as set out in Section 5.

2. GMCA are asked to approve:

- The proposed indicative 2025/2026 academic year GM Adult Skills allocations for grant funded and procured providers and to grant delegated authority to the Group Chief Finance Officer, in consultation with the Leader and Chief Executive Portfolio Lead for Education, Skills, Work, Apprenticeships and Digital, to agree any minor

changes that arise during discussions between each institution / organisation and GMCA, set out in Section 4.

- To grant delegated authority to the Group Chief Finance Officer, in consultation with the Leader and Chief Executive Portfolio Lead for Education, Skills, Work, Apprenticeships and Digital, to make decisions relating to commissioning and procurement of skills & work delivery during the 2025/2026 academic year utilising existing adult skills funding and any adult skills reserves, set out in Section 4.
- To continue to support the administration and management costs for the 2025/2026 academic year, set out in Section 4.

3. The Mayor is asked to approve (as set out in Section 4):

- The proposed indicative 2025/2026 academic year GM Adult Skills allocations for grant funded Local Authorities and to grant delegated authority to the Chief Finance Officer, in consultation with the Leader and Chief Executive Portfolio Lead for Education, Skills, Work, Apprenticeships and Digital, to agree any minor changes that arise during discussions between each institution and GMCA, set out in Section 4, and;
- To approve the continuation of the Adult Skills LA Grant Programme to each of the ten local authorities for the 2025/2026 academic year.

Contact Officers

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Report authors must identify which paragraph relating to the following issues:

Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

Insert text

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	Adult Skills aims to support all residents regardless of their employment status (in or out of work); it supports adults aged 19 and over, as aligned to a statutory requirement and the ASCAL Act 2009. Access to adult skills is subject to an individuals residency status and GM has reduced the level of eligibility needed to access the skills training, which means more residents are able to access funded skills. The skills provision supports residents to progress in learning and to move towards / into productive and sustained employment.
Health	G	Adult skills will encourage residents to reengage with education and training by funding skills provision which can improve health, well-being and resilience for learning and work. It will supports residents by promoting better physical and mental health for residents, involvement in volunteering and other civic engagement. It will support reducing social isolation. A part of the Adult Skills offer is to support residents with a range of life skills as well as skills for work, digital literacy, English, maths etc. Which aim is to ensure more residents are able to obtain the necessary skills to access online services, managing budgets etc.
Resilience and Adaptation	G	One priority with adult skills which this proposal fits within, is to encourage residents to reengage with education and training at any point in their lives through funding skills provision which aims to improve health, well-being and resilience for learning and work. Through this priority it will promote better physical and mental health for residents. The Adult Skills will include prioritisation of some courses in subject sectors that promote the development of green and blue infrastructure such as energy efficiency, environmental conservation, renewable technologies and low carbon transportation operations.
Housing	G	In Adult Skills certain groups of residents will be targeted for support, and this may enable residents to be better informed and to access further support and assistance by engaging with local stakeholders linked to skills provision. There is no direct evidence that captures the impact of adult skills
Economy	G	Continued funding of the priorities to deliver through our skills provider base is to "help residents develop the skills and occupational competence needed to progress in learning, work and careers on courses aligned with local employer needs" and this will improve economic development in GM. It will significantly improve the employment opportunities for those GM residents who complete the qualifications and support the retention and attraction of good jobs by prioritising courses. Adult skills offer is to engage adults and provide them with the skills needed for entering and sustaining work, an apprenticeship / traineeship, or other further learning.
Mobility and Connectivity	G	The Adult Skills will include prioritisation of some courses in sectors that promote the skills for key transport & infrastructure occupations, such as bus drivers; rail engineers, and this will enable improved public transport services and offer, and enable more residents to access public transport and reduce road congestion, moving from their private cars to public transport.
Carbon, Nature and Environment	G	The Adult Skills will include prioritisation of some courses in subject sectors that promote the development of green and blue infrastructure such as energy efficiency, environmental conservation, renewable technologies and low carbon transportation operations.
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		This proposal supports Greater Manchester to become carbon neutral by 2038 through the delivery of skills training relating to the green economy and showing GM residents how they can reduce their carbon footprint and/or improve their local environment. We will also prioritise the allocation of funding to providers or

Further Assessment(s): Equalities Impact Assessment and Carbon Assessment

G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.	R Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR Negative impacts overall.
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Carbon Assessment

Overall Score ████████

Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings	N/A	

Transport

Active travel and public transport	████████	There is no direct evidence that captures the impact of adult skills
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	

Land Use

Land use	N/A	
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No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.
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Risk Management

GMCA will continue to work with selected providers to ensure comprehensive processes are in place to identify and mitigate risks, including managing the performance of the delivery, linked to the GM Adult Skills Provider Guidance and Handbooks, which includes audit and compliance procedures, and risk ratings applied to individual providers during the year.

Legal Considerations

GMCA will continue to work with the legal support from MCC, to ensure all contractual and grant funding agreement documents are appropriate and in place for the academic year.

Financial Consequences – Revenue

Revenue funding is taken from the devolved Adult Skills funding within the integrated settlement for 2025/2026, allocated on an academic year basis, and received each relevant financial year.

Financial Consequences – Capital

Not applicable

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

Not applicable

Background Papers

The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100D (1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as identified by that Act.

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? **No**

GM Transport Committee

Not applicable

Overview and Scrutiny Committee

Not applicable

Executive Summary

1. Context & Background

The report outlines key aspects for the devolved Adult Skills activity, and which is a key part of the wider education, skills and employment system for Greater Manchester. Its primary aim is to ensure all Greater Manchester (GM) residents are equipped for life and work, with good job opportunities to progress and develop within a thriving and productive city region economy. It is available to fund skills provision and associated support to GM residents aged 19 or over and is aligned to other GM wide activities for education, skills and work, and other policy areas.

Through the opportunity of the integrated settlement, the current adult skills funding landscape incorporates the core devolved adult skills fund, Free Courses for Jobs funding and Skills Bootcamps funding, which has in the most recent year has equated to approximately £111m.

Going forward from the 2025/2026 academic year, this first year of the integrated settlement brings together these funding streams under one single approach and fund for adult skills. This provides an overall allocation of £108m, which reflects a reduction in funding of 3.58%, which is GM's portion of the Adult Skills funding allocated nationally. Nationally there has been a cut to Adult Skills, and this has been disseminated down to all devolved and non-devolved area.

2. Achievements of GM's devolved AEB for the 2023/2024 academic year

In its fifth year of devolved adult skills funding, GM has continued to stabilise delivery in 2023/2024. The budget supports a wide range of community learning, regulated, and non-regulated courses from pre-entry to level 3.

Key highlights include significant success in driving Level 3 attainment, with over 5,000 residents achieving Level 3 qualifications in 2023/2024, up from 655 in 2019/2020. Priority sectors also saw substantial increases in enrolments. Over 8,000 economically inactive residents engaged with adult skills delivery, helping them re-enter the workforce.

The Adult Skills Local Authority Grant Programme provided additional support to 26,000 residents, helping alleviate barriers like digital exclusion and access to ESOL services.

In total, over 54,000 residents participated in nearly 130,000 adult skills-funded courses, with more than 109,000 courses completed successfully.

3. Developments and progress of GM's devolved Adult Education Budget (AEB) for the current 2024/2025 academic year

In the 2024/2025 academic year, GMCA, alongside key partners and skill providers, will continue to focus on strengthening the Adult Skills offer for Greater Manchester. Key projects include in-depth reviews of adult skills areas, such as the GM ESOL Advice Service and improving outcomes tracking, as well as supporting key resident groups, including offenders, asylum seekers, refugees, and individuals progressing in work.

The team will also work on integrating various funding streams through initiatives like Community Grants and a single employer engagement offer. A key goal is to build a unified approach to adult skills, focusing on simplifying delivery and targeting place-based needs.

GMCA will continue collaborating with skills providers to maximise funding and support growth following the pandemic's impact on learner volumes. Any underutilised funding will be reinvested into projects addressing sector-specific needs and supporting GM/LA priority groups, including care leavers and over-50s. The team will also test new approaches to skills provision and training.

4. Financial Priorities and plans for the 2025/2026 academic year

GM's Adult Skills program will continue to align with national and local strategies, including the National Industrial Strategy and GM's Growth & Prevention Plan. In 2025/2026, GM's adult skills funding, amounting to £108m, will be streamlined into one funding pot, integrating core funds, Free Courses for Jobs, and Skills Bootcamps. This represents a 3.58% reduction due to national cuts.

The funding methodology for 2025/2026 will be based on 2023/2024 actual performance, with a small uplift to address rising delivery costs. A transitional period will be applied to both procured and sector-focused provision to avoid service gaps and allow for reshaping the offer. GMCA aims to reduce duplication, focus on outcomes, and support providers who over-deliver.

Additionally, GMCA will utilise allocated CA reserves up to £10m to ensure continuity in adult skills provision and work with providers to allow for growth where relevant.

The Adult Skills Local Authority Grant Programme will continue with £1.605m allocated to support initiatives like digital inclusion and ESOL.

5. Going forward towards Integration: reaching an 80% employment rate

Greater Manchester (GM) is committed to supporting the Government's goal of raising the employment rate from 75% to 80%, with the aim of helping 150,000 residents secure employment over the course of the Parliament. GM will focus on reducing economic inactivity, enabling growth, and improving employment prospects by providing targeted support at the right time and place, underpinned by the principles of the Working Well programme.

GM is committed to a local work, health, and skills plan, working closely with employers to overcome barriers in the job market and drive growth. This will be further supported by aligning the Local Skills Improvement Plan (LSIP) with the current labour market needs.

A key priority for GM is the integration of health and employment strategies, utilizing its unique status as the only devolved health authority in England. This, alongside efforts to improve equality and workforce diversity, will help drive a more inclusive employment landscape. The proposed 'Skills for Work & Growth' initiative aims to tackle spatial inequalities and help residents gain at least a Level 2 qualification, ultimately connecting them to the labour market and addressing sector-specific skills needs. GM will continue to develop its Level 3 skills offer, with a strong emphasis on both in-work progression and employer-driven investments.

Through a more sector-driven approach, GM will collaborate with employers, education providers, and other partners to ensure a flexible and responsive skills and work system, ultimately driving positive outcomes for residents, businesses, and the economy.

1. Introduction

1.1 Context & Background

1.2 GM's Adult Skills offer (formerly Adult Education Budget (AEB)) has been devolved to GMCA since 2019 and is a key part of the wider education, skills and employment system for Greater Manchester. Its primary aim is to ensure all Greater Manchester (GM) residents are equipped for life and work, with good job opportunities to progress and develop within a thriving and productive city region economy. It is available to fund skills provision and associated support to GM residents aged 19 or over and is aligned to other GM wide activities for education, skills and work, and other policy areas.

1.3 Education, Skills and Work Approach

1.4 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 \(GMS\) 2021-2031 good lives for all:](#)

- A greener Greater Manchester: responding to climate emergency.
- A fairer Greater Manchester: addressing inequalities and improving wellbeing for all.
- A more prosperous Greater Manchester: driving local and UK growth.

1.5 The GMS informs the Adult Skills approach alongside the frontier and foundation sectors as identified in the [GM Local Industrial Strategy](#), supporting the Technical Education career pathways, the recommendations from the GM Independent Inequalities Commission: [The Next Level – Good Lives for all in Greater Manchester](#) report, as well as the in-depth analysis provided in the [Local Skills Report & Labour Market Plan](#) and [Skills Intelligence Reports](#).

OUR APPROACH & PRINCIPLES

WE ARE:

- 1. Person-centred; proactively advancing equality** by taking an evidence-based approach to identifying and tackling barriers to participation in learning and work.
- 2. Place Based- Using our solid understanding** of Greater Manchester's ten local authority areas (similarities and differences) to inform our decision-making.
- 3. Building on existing activity**, not approaching from a standing start.
- 4. Exploring all opportunities** to make our collective resources work smarter and harder, using insight to shape policy and commissioning decisions.
- 5. Focus on the labour market & sector growth-** Including a key focus on GM Integrated Investment Pipeline
- 6. Supporting pathways to work through Live Well.-** Integrating with other public services
- 7. Building partnerships** and collaborate fully to achieve our goals.
- 8. Embracing two-way accountability**, rather than a commissioner/provider relationship – key stakeholders more accountable.
- 9. Actively innovating** and forging new ways of working, sharing our learning and scaling up what works.
- 10. Focusing on outcomes, not outputs;** bringing all parts of the system together to achieve an effective, integrated solution.

Helping residents to enter, sustain & progress in work- through a strong skills & work offer

80% employment rate- 150,000 residents moving closer to work & stay in & progress

Integrated settlement allows for a new way of thinking about providing support- bringing together Activity for skills & employment and looking at support required for the resident and business – NOT the funding stream

Engaging & Inspiring - EWS Role in Live Well

ensure residents make positive steps towards a 'good job' by taking a locally integrated, person-centred approach to removing those barriers that prohibit this journey in the first instance

1. Health improvements including improved mental well being
2. Reduced Social Isolation – connectivity with their community
3. Housing (is this stability of?)
4. Exploration and trial of volunteering / work / skills opportunities

Delivery at a local level LiveWell-LA's, VCFSE- Triage to support

- In scope funding-
- £10m trailblazer Learning
 - Supported employment
 - Support to Succeed
 - Community grant
- *Community
*ESOL
*skills for life

Move towards and into 'good work'

Supporting residents to acquire a good level of competence in essential life & work skills- including English, maths & digital literacy

1. Improved skill level
2. Into work or positive employment destinations
3. Removal of barriers that limits ability to work
4. More prosperous

Referral points from Local LiveWell GP- Social Prescribing- JCP. Some contracted employment required for delivery JCP offer, College, ITP, Local offer including VCFSE

- In scope funding:
- Adult skills L2+
 - Bootcamps (as was)
 - Working Well offer
 - Integrated settlement supported employment

Sustain and Progress in Good Work'

is the support routes offered to residents currently in work but needing additional support or advice for career progression, to tackle barriers with their employers or to prevent themselves falling out of work.

1. Sustained good employment
2. Rapid health referral
3. Returned to work
4. Progression in work

Delivery through College, LA, ITP, VCFSE, work providers, employers

- In scope funding:
- Adult skills employed offer
 - Adult skill L3+
 - In work progression
 - Labour Market intelligence
 - Industrial Strategy
 - GM Integrated Pipeline

2. Achievements of GM's devolved adult skill for the 2023/2024 academic year

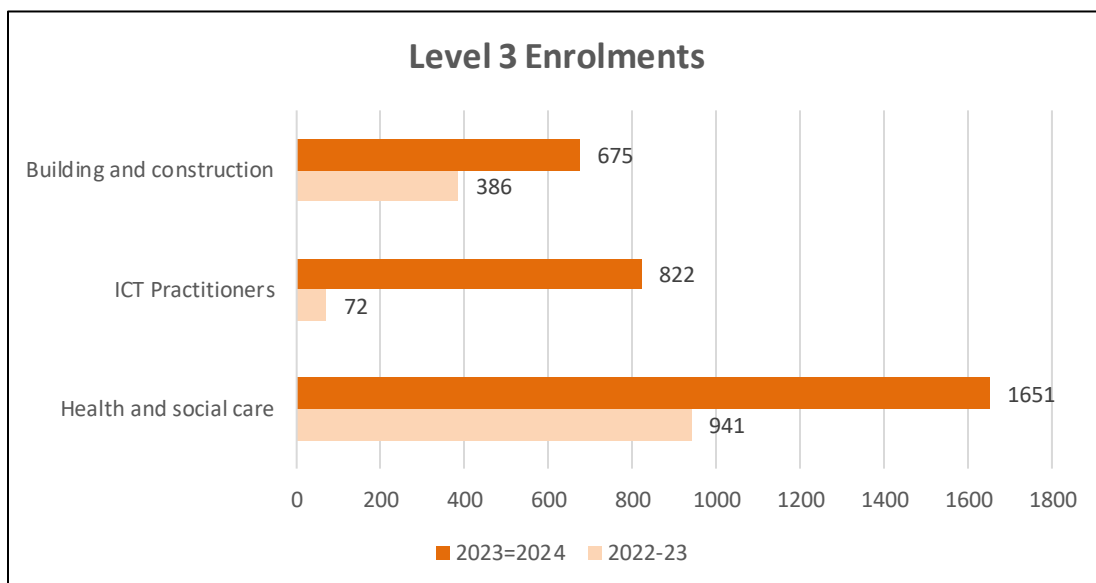
2.1 Key delivery elements

2.2 GM has now seen its fifth full year of devolved adult skills funding, with no changes, to policy, flexibility and ways of working, this was to stabilise delivery for 2023/2024 compared to previous years. The budget supports community learning and a wide range of regulated and non-regulated provision from pre-entry level up to and including level 3.

2.3 Highlights from 2023/2024

2.4 Driving up level 3 attainment has proved incredibly successful, with an increased number of GM residents gaining a level 3 qualification year on year since devolution, **this has increased from 655 learners in 2019-2020 to just over 5,000 learners this year.**

A comparative snapshot of Level 3 enrolments (2022/23 v 2023/24) demonstrated significant increase in some priority sectors. The graph below shows the top three with the highest increases in enrolments:



2.5 Within the Adult Skills Local Authority Grant Programme residents are signposted and offered additional support through a range of local projects, of which throughout 2023/2024, **approximately 26,000 individual** interventions have taken place, assisting to alleviate barriers, reducing to digital exclusion and accessing ESOL services.

2.6 **Over 8,000 economically inactive GM residents accessed adult skills delivery** during 2023/2024, giving some residents the opportunity to re-engage with skills and employment support, and progressing into work.

2.7 Outputs & Impact

2.8 Over 54,000 GM residents accessed nearly 130,000 adult skills funded courses during 2023/2024. Over 109,000 of the courses enrolled on were completed and achieved.

2.9 GMCA submits an annual report to the Department for Education, and this report is attached as Annex 1, with further details provided on outputs, and examples of how residents and employers have benefitted.

2.10 Evaluation of GM's Devolved Adult Education Budget and Skills Bootcamps 2019-2023

2.11 The Learning and Work Institute (as a consortium with the Institute of Employment Studies and BMG Research) were commissioned to undertake a retrospective evaluation of the provision of AEB and Skills Bootcamps covering the first four years of initial commissioning of AEB post-devolution (from 1st August 2019 to 31st July 2023). The Executive Summary is attached as Annex 2. The outcome and recommendations are considered timely to feed into reshaping the Adult Skills landscape with further devolution and the Integrated Settlement.

3. Developments and progress of GM's devolved Adult Education Budget (AEB) for the current 2024/2025 academic year

3.1 In the 2024/2025 academic year, GMCA, along with key partners and skill providers, is working on several projects to strengthen the Adult Skills program for Greater Manchester. This includes:

In depth reviews of key areas of adult skills	Review of the GM ESOL Advice Service and improving how destinations and outcomes for learners are captured in preparation for reporting agreed outcome measures as part of the integrated settlement
Supporting key groups of residents across GM	<ul style="list-style-type: none"> • Supporting offenders to engage in additional skills alongside accessing assistance to remove barriers to progressing into employment, linked to a GM Integrated Rehabilitation Service contract for education, training and employment. • Working alongside GMCA's Public Service Reform team, to provide an enhanced skills and work support offer for asylum seekers and refugees. • Working with employment support colleagues to implement a GM wide In Work Progression offer with local authority partners.
Testing approaches to bring different funding streams together	<ul style="list-style-type: none"> • Continuing the development and offer of a cross-team Community Grants. To support the voluntary and community sector, to engage with our hardest to reach residents. • Commissioning and launching a single employer engagement offer to support GMs workforce and to provide an innovative approach to essential work skills for employed residents, using devolved Adult Skills and UKSPF Multiply funding.
Preparing for Integrated Settlement	<ul style="list-style-type: none"> • Building a single approach to adult skills and work • Focusing on creating a simpler and more effective adult skills program by building on successful strategies that benefit both employers and residents. • Focusing delivery of skills towards a more place based targeted approach.

3.2 GMCA will continue to work with all contractual and grant funded skills providers to ensure the funding is maximised within the academic year. 2024/2025 is no exception, with skills providers allowed to improve growth since the initial impact of the pandemic on learner volumes and skills take up. Since 2020/2021, learner volumes have increased with residents re-engaging in learning both online and in the classroom.

3.3 As in previous years GMCA will fully maximise any reclaimed or under-utilised funding, re-investing funds into activities / projects which show positive results, address skills and work gaps, sectoral focused delivery, and support key areas of activity and specific needs identified by GM/LA priority groups i.e. care leavers, offenders, asylum seekers, refugees, over 50's etc. Such as:

- Continuing to support the cost of delivery of provision.
- Supporting the Education, Skills & Work Community Grants offer for the VCSE

sector.

- Testing new and creative way to deliver skills provision / training.

4. Financial Priorities and plans for the 2025/2026 academic year

- 4.1 GM's Adult Skills will continue to deliver changes which will support delivery of the National Industrial Strategy, GM Strategy, Growth & Prevention Plan & Local Skills Improvement Plan and linked to the career pathways as part of the Integrated Technical Education. GMCA will continue to build on areas which provide the opportunity to develop and implement a range of GM and locally focused initiatives, aligned with ongoing policy developments and supporting evidence to target over and above the main statutory entitlements of the national Adult Skills Fund requirements.
- 4.2 GM's funding allocation for Adult Skills within the integrated settlement has been confirmed for the 2025/2026 financial year, bringing together three funding streams under one single approach and pot. The adult skills funding incorporates the core devolved adult skills fund, Free Courses for Jobs funding and Skills Bootcamps funding. This provides an overall allocation of £108m, which reflects a reduction in funding of 3.58% (equating to £4m), which is GM's portion of the Adult Skills funding allocated nationally. Nationally there has been a cut to Adult Skills, and this has been disseminated down to all devolved and non-devolved area.
- 4.3 Funding allocations & funding rates 2025/2026
- 4.4 When considering allocations and the methodology it is important to note the funding GM inherited had no simple national formula or allocation methodology basis, for example, a per capita unit cost by district, as the nature of adult education provision does not lend itself to such an approach. When the funding was devolved, for the start of the 2019/2020 academic year, the allocation and hence resulting funding envelope to Greater Manchester, was based purely upon the volume of GM residents accessing adult education funded activity across England (based on 2017/2018 delivery data, the last full academic year for which data was available prior to DfE confirming MCA allocations) and the resulting value associated to this volume. For Greater Manchester this equated to a share of the national funding pot of 7.21% for adult skills. This funding share has not changed since 2019/2020 and does not reflect an allocation of funding based upon population or any other split of demographic data.

- 4.5 GMCA has been supporting all providers to enable improved growth since the initial impact of the pandemic on learner volumes and skills take up. Since 2020/2021, learner volumes have increased with residents re-engaging in learning both online and in the classroom.
- 4.6 Focus has turned to ensuring learning can continue to support a consistent level of residents with skills providers receiving an increased rate in funding per accredited provision and support to cover increasing delivery costs.
- 4.7 Since 2022/2023, GMCA has approved interim methodologies to support the cost of delivery through the devolved AEB. These have included changes to funding rates applied to the cost of a course, one off delivery cost payments, a small increase to funding allocations and increasing the performance ceiling up to 110%.
- 4.8 As with 2024/2025 there will be no changes to the funding rates levels, and we will maintain the 6.5% increase to the individual current adult skills funding rates, which is already embedded in the funding process and structure (not additional). Community Learning provision has been excluded from this approach, as grant-funded skills providers who deliver this activity set their own funding values for community learning, (i.e. based on the actual cost of the learning being delivered, divided by the number of learners attending) and consider the increases in the cost of delivery for this provision within the funding allocation available. However, this may have an impact on learner numbers at some point as increased costs with no additional funding from DfE will have to level out.
- 4.9 With an overall single Adult Skills funding envelope, the integrated settlement provides the opportunity, to review the funding allocations, particularly for the first year of integrated settlement. GMCA is recommending to:
- Set a renewed baseline, that is more reflective of current delivery patterns and costs, and which is not tied to a DfE allocation approach,
 - review what provision has worked and produced strong outcomes, which can be expanded,
 - bring various parts of the funded activity together, reducing overlap and duplication of provision due to different criteria and delivery models, as defined by DfE,

- and to commission delivery which will lead to a greater focus on the integrated settlement outcomes being agreed with MHCLG and DfE.
- GMCA has over the past 5 years built up a wealth of evidence, which will be used to shape a stronger approach to an adult skills offer for GM, aligned to improve opportunities for out of work residents to obtain skills to progress them closer and in to employment and to support those residents in work, to improve their occupational skills, to progress further in work and their careers.

4.10 GMCA is recommending the following funding allocation methodologies are applied accordingly:

- Grant Funded provision: As per para 4.4 above, funding allocations have not changed since the commencement of devolution in GM, and allocations for 2025/2026 will be based upon the most recent full academic year actual spends and performance, i.e. 2023/2024, alongside a small uplift of 2.2%, to support grant funded skills providers with increasing delivery costs, such as workforce challenges. Allocations as set out in Appendix 1, Tables 1 & 2.
 - ✓ Set a new baseline for GM instead of continuing to fund at 2017/18 levels.
 - ✓ Recognised all grant-funded providers that increased learner demand.
 - ✓ Funding considers rising delivery costs (e.g., 2.2%).
 - ✓ Maintains an uplift in funding rates applied during delivery (e.g., 6.5%).
 - A few grant-funded skills providers will see a small reduction due to lower performance in 2023/24.
- Procured provision: Apply a similar approach to the grant funded provision and use actual spending and performance from the 2023/2024 academic year to set funding for 2025/2026. Apply a transitional period for procured delivery in the first year of the integrated settlement to avoid leaving a gap in services for GM residents and employers. In preparation for 2025/2026 transitional period, GMCA will work with providers to reshape the offer, reduce duplication, and align activities to meet adult skills outcomes. To foster growth, GMCA will collaborate with providers demonstrating clear sector or place relevance, enabling them to submit business cases for

growth if funding permits, utilizing both the current allocation and reserves.

Allocations as set out in Appendix 1, Table 3,

- ✓ Based on actual performance from the previous year.
 - ✓ Offers skills providers a chance to engage with GMCA and help shape future adult skills design.
 - ✓ Allows GMCA to review past and current delivery to create a stronger skills offer, connected to employment support and technical education, without limiting learner choice in 2025/26.
 - ✓ Maintains an uplift in funding rates applied during delivery (e.g., 6.5%).
 - ✓ GMCA is reviewing the sectoral and higher skills offer and therefore additional activity will be procured during the early part of 2025/2026.
 - While based on 2023/24 performance, it doesn't account for improvements made by procured providers in the current academic year and some providers will see a reduction, however the GMCA will work with providers to ensure provision continues to meet the needs of GM residents & business. Where there is a clear gap GMCA will commit to working with providers to manage throughout this transition year.
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- Level 3 & Sectoral focus provision: As with the procured provision above, apply a similar approach and use actual spending and performance from the 2023/2024 academic year to set funding for 2025/2026. Apply a transitional period for procured delivery in the first year of the integrated settlement to avoid leaving a gap in services for GM residents and employers. In preparation for 2025/2026 transitional period, GMCA will work with providers to reshape the offer, reduce duplication, and align activities to meet adult skills outcomes. To foster growth, GMCA will collaborate with providers demonstrating clear sector or place relevance, enabling them to submit business cases for growth if funding permits, utilizing both the current allocation and reserves. Allocations as set out in Appendix 1, Tables 1 & 4.
 - ✓ Based on actual performance from the previous year.
 - ✓ Offers skills providers a chance to engage with GMCA and help shape future adult skills design.
 - ✓ Allows GMCA to review past and current delivery to create a

stronger skills offer, connected to employment support and technical education, without limiting learner choice in 2025/26.

- ✓ Maintains an uplift in funding rates applied during delivery (e.g., 6.5%).
- ✓ GMCA is reviewing the sectoral and higher skills offer and therefore additional activity will be procured during the early part of 2025/2026.
 - While based on 2023/24 performance, it doesn't account for improvements made by providers in the current academic year and some providers will see a reduction, however the GMCA will work with providers to ensure provision continues to meet the needs of GM residents & business. Where there is a clear gap GMCA will commit to working with providers to manage throughout this transition year.
 - Risk that some skills providers may struggle to adjust their offerings in time for 2025/26.
- GMCA will conduct a review of higher-level and sectoral skills needs, aligned with the refreshed LSIP and MBacc offer for young people. This will ensure a targeted skills offer that supports sectors, including the GM Integrated Investment Pipeline. The review will allow GMCA to move beyond national criteria and delivery models, providing the flexibility to address the specific needs of both employers and residents. Additional planning and commissioning will begin in March 2025 to better align resources with GM's priorities.

4.11 GMCA will continue to support both grant-funded and procured providers who over deliver in 2025/2026, based upon the end of year reconciliation by 3% above their approved core adult skills allocation. This will not apply the Level 3 & sectoral offer due to current fund constraints.

4.12 It is recognised by applying the recommendations above and building in other elements e.g. non-provision committed activity; funding contingencies for limited growth (as per 4.11); and learners who continue from one academic year into another (due to the length of the course initially enrolled on, not new learning), the level of funding available in the integrated settlement adult skills envelope is not sufficient.

- 4.13 There is the need to agree to utilise allocated CA reserves, which are historical funds established during the pandemic. To go forward with the recommendations outlined, this would ensure there is no 'gaps' in the learning offer available to residents and employers during 2025/26, and to utilise up to £10m from reserves, for this integrated settlement transition period. This would enable GMCA to establish a strong adult skills offer linked to wider employment activity and supporting young people to continue to access technical skills where this is needed, and to focus on delivering the proposed adult skills and work outcomes for the first year of the integrated settlement.
- 4.14 To ensure appropriate growth is not stifled through the discussions and negotiations with procured providers, GMCA will work with those skills providers that can show clear sector/place relevance and allow a business case for growth if funding allows via the current allocation plus reserves.
- 4.15 It is recognised that the need to access reserves, is not sustainable and that by working with all skills providers, local stakeholders and by reviewing higher skills and growth delivery, GMCA will move towards activity for 2026/27 onwards to be within the future funding envelope, and some existing activities may cease or be replaced by stronger adult skills activity which focusses on growth. GMCA will continue to support providers who over deliver in 2024/2025, based upon the end of year reconciliation, as per the Funding and Performance Management rules.
- 4.16 Allocations for all skills providers are set out in Appendix 1 for 2025/2026, and include core adult skills and Level 3 & sectoral allocations for grant funded and procured providers.
- 4.17 Adult Skills Local Authority Grant Programme Continuation
- 4.18 Since 2020/2021 GMCA has approved an investment from adult skills funding of approximately £1.5m per year to the ten local authorities subject to some change and value, to support overcoming barriers to accessing Adult Learning. This is shared evenly across all GM Local Authorities, with some adjustment for higher levels of need and split into three areas of activity:
- Alleviating Barriers for Adult;
 - Supporting Digital Inclusion, and;

- ESOL.

4.19 GMCA, continue to work with each of the 10 LAs, to utilise funding in ways which support residents and can make an impact as well as maximising how the funding is used, ensuring that projects are capturing relevant impact and linkages to the wider Adult Skills offer.

4.20 GMCA sees the benefit of how the individual and collaborative initiatives work alongside the main Adult Skills provision and propose that GMCA continues to support the LA Grant Programme through the AEB funding for 2025/2026. The allocation of funding made available for this activity is £1.615m. Allocations as set out in Appendix 1, Tables 5.

4.21 Management and Administration Costs

4.22 GMCA will continue to manage and oversee the programme each academic year. The GMCA recommends increasing management and administration costs from 1.8% to 2.5% of the funding. This is still below the average for major programs and lower than other devolved adult skills areas. This increase supports the team in handling audit, compliance, and monitoring the entire adult skills offer under one funding envelope. The small increase allows for the integration of FCFJ & Bootcamps into one adult skills management function. The proposed level remains appropriate and proportionate to the scale of the activity.

5. **Going forward towards Integration**

5.1 Greater Manchester backing the Government's plan to Get Britain working, targeting an increase in the employment rate from 75% to 80%. This equates to an additional 150,000 GM residents moving into work over the life of the parliament.

- Reducing economic inactivity and enabling Growth through the targeting the right support at the right time and in the right place (Live Well)
- More people to entering, sustaining and progressing in work - and good work, not just any work – (Skills for Work & Growth)
- Expanding the Integrated Settlement, and taking a more responsive approach to skills, work and health in the round and breaking down siloes- supporting both inactivity but also in work progression and maintaining work as outcomes

5.2 To deliver the above vision, young people will leave the education system with the

knowledge, skills, and attributes needed to succeed in the labour market. Working age adults who are out of work and /or who have low levels of skills, will have access to the skills and wider support needed to enter and sustain employment and there will be an offer for all adults to up-skill and progress their careers.

5.3 Reducing Economic Inactivity- Live well

5.4 Working Well and adult skills programs have been integrated for many years, forming a crucial part of the Live Well initiative. These programs work alongside other public services such as health, housing, and financial advice, as well as the Community, Voluntary, Faith, and Social Enterprise (CVFSE) sector. This integration, along with early steps towards a new model, has the potential to transform the resident experience in their local area.

5.5 *GMCA's role within Live Well aims to help residents secure good jobs by removing barriers that prevent this journey through a locally integrated, person-centred approach. The focus is on prevention and tackling economic inactivity.*

5.6 Making it simpler for residents & employers: Proposal around 'Skills for Work & Growth'

5.7 Alongside Live Well there is a focus on ensuring all GM residents can engage in the **labour market** is key to addressing **barriers and inequalities**, supporting communities, and helping businesses access local talent. The Skills for Work & Growth approach will connect residents to jobs by:

- Using all available funding to support **at least Level 2 qualifications** as a stepping stone to good employment.
- Aligning with the **Industrial Strategy, Investment Pipeline, and MBacc** to target key sectors.
- Developing an **Enhanced Local Skills Improvement Plan (LSIP)** with Growth Hub, Midas, and employer-facing bodies.
- Taking a **sector-driven** approach in collaboration with colleges, HE providers, and JCP to ensure **flexible, responsive skills provision**.
- Exploring initiatives like the **Housing First fund** to meet the **75,000 homes target**.
- Expanding **Level 3 qualifications** linked to key sectors and **employer-designed training** to help workers **progress and upskill**.

5.8 By embedding employer engagement and equality across all initiatives, GM can create a resilient, inclusive, and high-performing economy.

5.9 **Employers are key to GM's ambitions, including:**

- A 10-year growth pipeline, delivering 75,000 homes and infrastructure projects.
- 6 Growth Locations, focusing on housing and employment development.
- A Local Industrial Strategy, driving growth in high-value, R&D-intensive sectors.
- The Greater Manchester Baccalaureate (MBacc) to improve access to technical careers.

5.10 To support these goals, GMCA will enhance the Local Skills Improvement Plan (LSIP) in collaboration with employers, education providers, and economic partners, ensuring a data-driven and responsive skills system despite uncertain future funding.

5.11 **A diverse and inclusive workforce underpins GM's ambitions.** Through partnerships with the VCSFE sector, the GM Equalities Panels, and the 2021 VCSE Accord, GM is committed to reducing inequalities in employment, housing, and services. Devolution enables flexible policies to promote inclusivity in education, skills, and work. Priorities include:

- Supporting health conditions, disabilities, and new residents in accessing opportunities.
- Improving data-driven policy-making to address disparities effectively.

Appendix 1

Table 1: Indicative FE allocations, 2025/2026 (This is not based on £ per population but an allocation set by DfE from 2017 from the number of learners accessing AEB at that time)

INSTITUTION	2024/2025 Allocations (Based on original 2017/18 actual +2.2%)	Indicative allocation 2025/2026 (Based upon actual Delivery in 2023/24 + 2.2% uplift)	Level 3 Current allocation 2024/2025	Level 3 Provisional allocation 2025/2026* (Based upon Actual Delivery in 2023/24)
AQUINAS COLLEGE	£69,694	£63,428	£50,000	£0
ASHTON SIXTH FORM COLLEGE	£127,936	£117,632	£55,000	£63,060
BOLTON COLLEGE	£5,976,007	£6,171,046	£175,000	£166,167
BURY COLLEGE	£2,106,510	£2,330,460	£200,000	£210,726
HOPWOOD HALL COLLEGE	£4,746,327	£4,922,862	£450,000	£437,017
LTE GROUP (The Manchester College)	£17,792,553	£19,224,585	£1,100,000	£979,135
SALFORD CITY COLLEGE	£6,262,015	£6,144,327	£165,000	£108,802
TAMESIDE COLLEGE	£3,551,746	£4,154,658	£300,000	£140,182
THE OLDHAM COLLEGE	£3,160,740	£3,144,596	£325,000	£303,719
THE TRAFFORD COLLEGE GROUP*	£5,877,667	£6,431,403	£350,000	£451,410
WIGAN AND LEIGH COLLEGE	£3,596,346	£4,226,493	£300,000	£254,771

Table 2: Indicative LA allocations, 2025/2026

INSTITUTION	2024/2025 Allocations (Based on original 2017/18 actual +2.2%)	Indicative allocation 2025/2026 (Based upon actual Delivery in 2023/24 + 2.2% uplift)	Level 3 Current allocation 2024/2025	Level 3 Provisional allocation 2025/2026* (Based upon Actual Delivery in 2023/24)
BURY METROPOLITAN BOROUGH COUNCIL	£1,454,209	£1,467,975	£30,000	£0
MANCHESTER CITY COUNCIL	£7,792,092	£9,077,483	£300,000	£371,643
OLDHAM METROPOLITAN BOROUGH COUNCIL	£2,865,926	£3,232,401	£50,000	£11,941
STOCKPORT METROPOLITAN BOROUGH COUNCIL	£1,236,920	£1,476,228	£50,000	£57,204
WIGAN METROPOLITAN BOROUGH COUNCIL	£732,759	£883,524	£150,000	£119,888

Table 2 shows the indicative allocations for the five GM local authorities that currently deliver AEB funded provision. Whilst some of these councils deliver provision directly, others have established agreements, including transferring their allocations to colleges to deliver learning on their behalf, which has historically been community learning.

Table 3: Contract for Services allocations, 2025/2026

ORGANISATION	Lot 1 - Targeted to engage economically inactive and unemployed residents in GM		Lot 2 – Targeted to engage employed residents in GM	
	Current allocation 2024/2025	Provisional allocation 2025/2026* (Based upon Actual Delivery in 2023/24)	Current allocation 2024/2025	Provisional allocation 2025/2026* (Based upon Actual Delivery in 2023/24)
ACORN TRAINING	-	-	£302,958	£149,297
BACK 2 WORK COMPLETE TRAINING	£1,979,980	£1,879,069	-	-
BRIGHT DIRECTION TRAINING	£991,847	£1,035,450	-	-
DMR TRAINING AND CONSULTANCY LIMITED	-	-	£288,335	£155,256
GLOUCESTERSHIRE COLLEGE	£745,998	£808,098	-	-
MANTRA LEARNING LIMITED	£3,202,819	£3,200,263	£1,674,347	£1,022,582
REALISE LEARNING & EMPLOYMENT LIMITED	£1,041,943	£468,811	-	-
ROCHDALE TRAINING	£418,105	£405,863	£379,794	£153,191
STANDGUIDE LIMITED	£1,151,162	£1,025,880	-	-
THE CONSTRUCTION SKILLS PEOPLE LIMITED	£771,686	£576,794	-	-
THE GROWTH COMPANY	£3,096,786	£2,940,461	£539,194	£343,143
TOTAL PEOPLE LIMITED	£893,323	£668,860	-	-
WORKERS' EDUCATIONAL ASSOCIATION	£1,143,359	£824,302	-	-

*** Subject to the organisations continuing to meet procurement requirements prior to the start of the academic year**

Table 3 shows the indicative allocations for the skills providers who have contracts for services, through the procurement process during 2022/2023. Contracts are split over two distinctive areas: Lot 1 – Targeted to engage economically inactive and unemployed residents in GM; and Lot 2 – Targeted to engage employed residents in GM.

Table 4: Contract for Services Level 3 allocations, 2025/2026

ORGANISATION	Current allocation 2024/2025	Provisional allocation 2025/2026* (Based upon Actual Delivery in 2023/24)
BACK 2 WORK COMPLETE TRAINING	£702,802	£330,098
BRIGHT DIRECTION TRAINING	£809,402	£231,054
DMR TRAINING AND CONSULTANCY LIMITED	£501,360	£260,890
LEARNING CURVE	£557,681	£557,681
NETCOMM TRAINING	£802,480	£467,658
STANDGUIDE LIMITED	£401,761	£270,746
THE GROWTH COMPANY	£623,995	£460,595
THINK EMPLOYMENT	£400,519	£400,519

*** Subject to the organisations continuing to meet procurement requirements prior to the start of the academic year**

Table 5: Adult Skills Local Authority Grant Programme Allocations, 2025/2026

ORGANISATION	Current allocation 2024/2025	Proposed allocation 2025/2026
BOLTON METROPOLITAN BOROUGH COUNCIL	£150,000	£150,000
BURY METROPOLITAN BOROUGH COUNCIL	£150,000	£150,000
MANCHESTER CITY COUNCIL	£200,000	£200,000
MANCHESTER CITY COUNCIL (GM ESOL CENTRAL SERVICE)	£64,351	£64,351
OLDHAM METROPOLITAN BOROUGH COUNCIL	£150,000	£150,000
ROCHDALE METROPOLITAN BOROUGH COUNCIL	£150,000	£150,000
SALFORD CITY COUNCIL	£150,000	£150,000
STOCKPORT METROPOLITAN BOROUGH COUNCIL	£150,000	£150,000
TAMESIDE METROPOLITAN BOROUGH COUNCIL	£150,000	£150,000
TRAFFORD METROPOLITAN BOROUGH COUNCIL	£150,000	£150,000
WIGAN METROPOLITAN BOROUGH COUNCIL	£150,000	£150,000

*** Subject to the organisations continuing to meet procurement requirements prior to the start of the academic year**