

# Lower reconciliation threshold for ESFA grant funded providers

News story

The Department for Education and ESFA have confirmed a lower reconciliation threshold for ESFA providers



After reviewing the ongoing impact of COVID-19, the Department for Education and ESFA have confirmed a lower reconciliation threshold for ESFA providers, who are paid on profile throughout the academic year (grant funded), to 90% for the 2020 to 2021 academic year.

This means ESFA will only reclaim any under delivery below 90%.

This will apply to ESFA grant funded colleges and local authorities with an allocation for adult education budget (AEB) for adult skills, 19 to 24 traineeships, advanced learner loans bursary (ALLB).

Our primary aim is to support providers to continue to deliver as much quality provision as possible, including above the 90% threshold, whether that be face-to-face (where permitted), online or otherwise remotely. This includes [subcontracting](#) for AEB-funded provision that is in line with our subcontracting conditions, set out in the [rules](#) and contracts. Providers also need to be aware of the latest [subcontracting reforms](#).

We acknowledge the situation is still difficult for providers, but our latest data shows that a threshold of 90% is a fair representation of grant funded providers' average delivery. We also know that many grant funded providers have been able to continue remote delivery very successfully during lockdown, having built on the experience of 2019 to 2020 to establish effective contingency arrangements to manage COVID-19 restrictions.

We will publish further details to help providers with any questions by the end of March. We will also update our [AEB funding rules for the 2020 to 2021 academic year](#), in April to include the change.

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