

# WEST MIDLANDS COMBINED AUTHORITY

## Skills Programmes Provider Payment & Performance Management Framework (For the funding year 1 August 2022 to 31 July 2023) Version 2

*This document sets out the payment and performance rules that apply to all providers of education and training who receive skills programmes funding, including Adult Education Budget funding, Free Courses for Jobs (FCFJ) funding, Multiply funding and/or National Skills Fund Technical Bootcamp funding for residents residing in the West Midlands Combined Authority (WMCA) area.*

November 2022

## Contents

1.	Introduction and purpose of the document .....	4
2.	Overview .....	4
3.	Grant-funded providers .....	5
4.	Financial Intervention Regime for FE Colleges.....	6
5.	Community Learning .....	6
6.	Contract for service providers .....	7
7.	Financial due diligence Providers in receipt of a Contract .....	7
8.	ESFA Oversight of Independent Training Providers (ITP) .....	7
9.	Supply chain and consortia .....	8
10.	Data collection.....	8
11.	Data submissions for Skills Programmes .....	8
	Additional data submissions for DfE Skills Bootcamp Delivery .....	10
	Additional data submissions for DfE Multiply Delivery .....	10
16.	Data validation is undertaken by the WMCA.....	10
17.	Earning Adjustment Statement (EAS) for AEB and Free Courses for Jobs .....	10
18.	Payment Arrangements .....	10
20.	Grant funding payment arrangements for AEB and Free Courses for Jobs.....	11
21.	Grant end-of-year reconciliation for AEB .....	12
22.	Contract for services funding arrangements .....	13
23.	Contract funding principles.....	13
24.	Formal Performance Review arrangements.....	14
25.	Provider Management Review and Monitoring .....	14
26.	AEB and Free Courses for Jobs.....	14
27.	DfE Skills Bootcamp Delivery.....	15
28.	DfE Multiply Delivery .....	16
29.	RAG Criteria and Informal/Formal Intervention.....	17
30.	Level 1- Increased Monitoring .....	17
31.	Level 2 – Informal .....	17
32.	Level 3 – Formal .....	17
33.	Compliance .....	18

34.	Changes to your Skills Programme delivery plan/allocation .....	18
35.	AEB, DfE Skills Bootcamps and Multiply .....	18
36.	Free Courses for Jobs.....	19
37.	Destination and progression tracking.....	19
38.	Contacting us .....	21

## 1. Introduction and purpose of the document

- 1.1. This document provides Payment and Performance management guidance for Independent Training Providers (ITPs), and Grant-funded providers who receive Skills Programme funding, which includes devolved Adult Education Budget funding, Multiply or delegated Free Courses for Jobs (FCFJ) or NSF Technical Bootcamp funding from the WMCA for the 2022/23 funding year.
- 1.2. You must operate within the terms and conditions of the funding agreement, these rules, the [Skills Programme Funding rules](#) and the [WMCA Coding guidance](#). If you do not, you are in breach of your funding agreement with WMCA.
- 1.3. This guidance has been updated in November 2022 to reflect changes and will be reviewed again before July 2023 at the latest.
- 1.4. If you have this guidance in a saved offline or hard copy format, you are advised to check on the WMCA website to ensure you are using the most up-to-date version of the publication.
- 1.5. WMCA reserves the right to make changes to these rules and will publish any updated policies and rules on the [WMCA website](#)

## 2. Overview

- 2.1. It is really important to us that we establish local delivery networks and clear progression pathways for residents. Whilst WMCA will work with you to manage contract Performance and Compliance, we also expect our providers to work collaboratively with local authorities and other key stakeholders to deliver a more strategic and joined-up offer that better meets local needs.
- 2.2. We will use your ongoing track record to assess your ability to deliver education and training to the required standard. The standards include Ofsted grades, in-year performance, minimum standards, financial health, financial management and control, and delivery against your contract, where this information is available.
- 2.3. At the centre of our provider management approach is the delivery plan that we agree on with each individual provider across all provider types. The delivery plan, once agreed upon, will form the basis of monitoring and performance management throughout the year. Performance against the delivery plan will inform decisions related to intervention and funding increases and decreases.
- 2.4. We will continue to bring a sharper focus on outcomes for our residents related to job outcomes for the unemployed, and in-work progression leading to better pay for the low waged. As set out in the funding rules and as part of the conditions of funding, the accuracy and timeliness of recording destinations will be key across all provider types.
- 2.5. WMCA has set out clear data review points at which we will be monitoring destinations. More information on this is included below in **Destination and Progression Tracking**. There will also be a focus on sustainable employment for Pre-Employment Training courses such as SWAP, Sector Gateway, Construction Gateways and Digital bootcamps.

- 2.6. Our performance management approach is risk-based, and we will use regular performance management points to test progress against the delivery plan and associated funding profile. More information can be found in the section on **Provider Management Review and Monitoring**. We may increase or decrease the frequency and scope of reviews, based on risk.
- 2.7. To enable this dialogue, each provider has a nominated lead to manage the relationship and implement this approach. Providers with large-value contracts will also be allocated a Relationship Manager.
- 2.8. Providers do not need to wait for performance management points to discuss performance with their WMCA contact if they identify that they're not meeting profile or when they are experiencing higher demand.
- 2.9. Growth isn't guaranteed and will depend on the funding available and the provider's performance to contract; providers are reminded that growth is linked to impact, and we will need to see a clear destination date before we increase funding throughout the year.
- 2.10. We have two means of procuring Skills programmes:
  - 2.10.1. Grant-funded provision (underpinned by a delivery plan)
  - 2.10.2. Procured provision via a Dynamic Purchasing System (underpinned by a delivery plan) delivered through a Contract for Service.
- 2.11. The principles of how we work will be the same for both sets of providers – open, transparent and in partnership, however, there may be technical and process differences in how we apply our performance management framework. It does not mean we value any provider over another.

### 3. Grant-funded providers

- 3.1. The WMCA will issue Grant agreements on an annual academic-year basis. Where there is underperformance, we reserve the right to rebase providers' allocations.
- 3.2. In 2022/23, as part of the Performance and Management rules, we are setting a cut-off date of April (R08), for in-year AEB contract reductions, where these may affect the end-of-year outcome and reductions.
- 3.3. Where providers have identified and worked with us to manage this underperformance, we will discuss the requirement for re-basing and repayment, where providers do not declare underperformance, we may rebase allocations automatically.
- 3.4. We will be open to discussions about growth in year but there is no guarantee that we will be able to award this. Any growth requests will need to follow the WMCA business case process and will need to be in line with the AEB Strategy. Equally, there is no guarantee that any over-delivery will be funded.
- 3.5. Over delivery and/or delivery towards non-approved qualifications will not be funded unless an appropriate business case has been submitted and approved in writing by WMCA.
- 3.6. We will pay providers operating under grant agreement a standard profile in line with the ESFA national funding arrangements We will continue to consult with Colleges West Midlands (CWM) and Adult and Community Learning Alliance (ACLA) during the year on the appropriateness of this profile and will consider alternative arrangements should they be proposed.

3.7. We will hold performance management meetings up to three times a year, which will focus on strategic and future plans, how you are progressing towards achieving the activity set out in your Delivery Plan, and funding returns. At these points, significant under-delivery may be redeployed and payments re-profiled in discussion with you.

#### 4. Financial Intervention Regime for FE Colleges

- 4.1. To be successful, colleges need to be well-managed and financially resilient. DfE has published additional guidance on College oversight, support and intervention, information on this can be found [here](#).
- 4.2. While the WMCA will be performance-managing its FE colleges in relation to the delivery of Skills Programmes it funds, the DfE will continue to monitor FE colleges nationally. We will always look to offer supportive and preventative approaches to support colleges in difficulty.
- 4.3. If the DfE and/or the WMCA have evidence of risk, underperformance, or non-compliance with funding requirements, they will work together to intervene in proportion to the seriousness of the issues and the college's context and circumstances. The WMCA will be working with the DfE territorial teams and would be part of any review team, whether that is early intervention or working with the FE Commissioner. This approach will reduce the need for any separate review to be undertaken. The DfE and WMCA will be looking to ensure that any action taken:
  - 4.3.1. is in the interest of the learner
  - 4.3.2. protects public money
  - 4.3.3. achieves a resolution of financial or quality concerns at a pace

#### 5. **Community Learning**

- 5.1. If you are contracted to deliver Community Learning (CL) activity, we expect this to be delivered in line with our community learning strategy and community learning investment plan. Providers should continue to use the 'non-formula funded' approach.
- 5.2. ILR data must be recorded using the WMCA source of funding code 112 and the Funding Model Code 10.
- 5.3. CL will continue to be funded under grant funding to local authorities and colleges recognised by the WMCA as community learning providers.
- 5.4. Each community learning provider will be asked to complete a community plan and outcomes statement on an annual basis, which WMCA will monitor against performance management points.
- 5.5. We expect the community plan and outcomes statement to align with Local Authority plans as well as our community learning priorities outlined in the [AEB strategy \(2022-2025\)](#), with clear progression routes into further education. digital inclusion, family learning, sustainability and health & wellbeing

## 6. Contract for service providers

- 6.1. The WMCA will awarded delivery via Contracts for service following procurement exercises.
- 6.2. Each contract for service is awarded in line with the specification for the relevant Lot or programme. Contract for services providers should review the contract term as set out in the specification. Contract allocation is subject to an agreed delivery plan and financial funding forecast.
- 6.3. Delivery profiles will be agreed upon for each provider in receipt of a Contract yearly in order to monitor performance.
- 6.4. The WMCA will pay providers based on actual delivery, paid monthly in arrears.
- 6.5. We will hold performance management meetings up to three times a year which will focus on how you are progressing towards achieving the activity set out in your Delivery Plan, and funding returns. We will reserve the right to also monitor how you are delivering against your social value metrics.
- 6.6. At these points, significant under-delivery may result in contract reductions. You can voluntarily reduce your funding allocations as soon as you are aware that you may have potential under-delivery.
- 6.7. We will be open to discussions about growth in year but there is no guarantee that we will be able to award this. Any growth requests will need to follow the WMCA business case process and will need to be in line with the WMCA Investment priorities and affordability.
- 6.8. Over delivery and/or delivery towards non-approved qualifications will not be funded unless an appropriate Business case has been submitted and approved in writing by WMCA.

## 7. Financial due diligence Providers in receipt of a Contract

- 7.1. WMCA will test financial health, yearly to gain some assurance that providers are financially resilient.
- 7.2. Financial tests will enable us to be able to identify and address the potential risk of failure. We will work collaboratively with providers and put in place, where required, early intervention to ensure delivery remains viable.
- 7.3. It is mandatory for all providers to submit the information requested by the deadlines provided. We expect that information is provided in full. Failure to meet deadlines may result in the withholding of payment and/or result in a serious breach of contract related financial probity.
- 7.4. More information on the Financial Due Diligence and Financial Health Monitoring for Independent Training Providers (ITPs) can be found [here](#).

## 8. ESFA Oversight of Independent Training Providers (ITP)

- 8.1. Independent training providers are a key part of the WMCA delivery base supporting our residents and employers. Although the ESFA's oversight model is not contractual, its contract management approach is similar to the WMCA, and we will work together to take early action to address the potential risk of failure.



## 9. Supply chain and consortia

- 9.1. The WMCA considers the term 'supply chain delivery member' to encompass all third-party arrangements, you may have with other organisations where they are managing and delivering a proportion of your WMCA delivery plan - this encompasses 'learner find' services, job placement services as well as any delivery of teaching, learning or assessment.
- 9.2. As part of the yearly delivery plan process, a declaration of supply chain and values will be requested.
- 9.3. For the 2022/23 contract year, we will be asking for providers to submit supply chain declarations at the start of the contract year, and midpoint. Returns will be in line with the planning calendar.
- 9.4. A letter of approval will be sent confirming our agreements, where applicable.
- 9.5. You cannot enter into a supply chain relationship without the express written agreement of the WMCA at any point in the year.
- 9.6. If you wish to review any part of your supply chain midyear, including supply chain values, please submit a business case.
- 9.7. If providers intend to source, through procurement or otherwise, additional supply chain members then the WMCA must be notified in advance of publication of procurement opportunity. We would want to understand particularly how this provision would enhance the offer to residents and see alignment with the WMCA Regional Skills Plan priorities.
- 9.8. Where the aggregate value of the supply chain delivery partner's delivery exceeds £500,000, we expect the supply chain delivery partner to partake in the standard Performance Management Reviews held between the WMCA and the lead provider.
- 9.9. We will ask you to report to us the actual level of funding paid and retained for each of your supply chain delivery partners from 2022 to 2023. You must email this information to your Skills delivery officer as part of your final funding claims.
- 9.10. You must obtain an annual report from an external auditor if the WMCA-funded Skills Programme contracts with your supply chain delivery partners will exceed £100,000 in anyone funding year.
- 9.11. For full details on supply chain, please refer to the Skills programme [Supply chain rules](#).

## 10. Data collection

### 11. Data submissions for Skills Programmes

- 11.1. As a provider, you must have the capacity and capability for accurate data and evidence collection, management, and reporting, and must be able to comply with both the WMCA and the ESFA submission of data. This will include but is not limited to, the ILR or Earnings Adjustment Statement (EAS) and any associated evidence.
- 11.2. Providers must ensure that all documentation relating to the enrolment of WMCA residents, and the recording of learning activity is completed accurately. ILR data submitted for WMCA residents will continue to be sent to the ESFA through ["Submit learner data portal"](#).



- 11.3. ILR data must be sent to the ESFA by uploading a file in XML (extensible mark-up language) format to ESFA's secure online portal, '[submit learner data portal](#)' and this should be submitted monthly, in line with the [ESFA data collection timetable](#).
- 11.4. If you do not have an MI system capable of generating an XML file, then you should use the [ESFA ILR Learner Entry Tool](#) which will enable you to create an ILR file for upload to the '[submit learner data portal](#)'. ESFA and the WMCA recommend uploading the data as compressed files.
- 11.5. As a provider, you must submit a single file containing all your learners, learning and destination records for all AEB funding for the year to date. Each file overwrites all previously submitted records by you. This means that you cannot split the data into separate files and transmit each file separately. You cannot send records for learners funded from different funding models in separate files, as these will overwrite one another.
- 11.6. Once you submit a file to the Hub it cannot be deleted. If the file contains incorrect data, this can only be corrected by submitting another ILR file to overwrite. The last file submitted by you will be the one loaded into the national database for that return.
- 11.7. Providers should refer to the [ILR Specification](#), validation rules and appendices 2022 to 2023 to assist them with uploading the data correctly and in the format required by the ESFA.
- 11.8. For devolved provision, the ILR has a set of funding codes unique to WMCA delivery and can be found in the [Skills Programme Coding guidance](#).
- 11.9. It is a requirement of WMCA that data is submitted monthly. Where you do not intend to submit a return for any reason, please notify your Skills Delivery Officer, prior to the submission.
- 11.10. ILR files will be validated at the point of transmission against both definition and validation rules. If any data fails the validation checks, then the learner record and all associated records for that learner will be rejected. Rejected records are not loaded into the national ILR database and so do not generate funding; these records are reported on the rule violation report. This will ensure that the data received by the WMCA is accurate and complete as is the basis for payment.
- 11.11. As part of our assurance work, the WMCA will be monitoring the data you submit to the ESFA from the ILR and the EAS. The WMCA will carry out regular desktop reviews of how the national funding system and the WMCA funding rules are operating, allowing us to identify possible errors in the devolved AEB funding claimed for WMCA residents by providers, which might require further investigation. We will contact you when we identify you have submitted data that does not meet our funding rules and ILR requirements. We will require you to correct inaccurate ILR and EAS data; WMCA will exclude related payments until corrected.
- 11.12. To provide further assurance, the WMCA may use the services of external suppliers to undertake field-based activity as part of our annual assurance programme of work, comprising funding compliance audits and targeted thematic funding assurance reviews.

- 11.13. In addition, WMCA will expect providers to regularly review their software systems and processes to check for data accuracy.

#### Additional data submissions for DfE Skills Bootcamp Delivery

12. For DfE Skills Bootcamps, providers should refer to the DfE data return guidance
13. Delivery partners are expected to make their submission in 2 parts as follows
  - 13.1. An ILR return which is completed in line with WMCA Skills programme coding guidance
  - 13.2. Completion of the Wave 3 spreadsheet in line with the DfE data return guidance

#### Additional data submissions for DfE Multiply Delivery

14. For Multiply, providers should refer to their Operational Plans
15. Delivery partners are expected to make their submission in 2 parts as follows
  - 15.1. An ILR return which is completed in line with WMCA Skills programme coding guidance
  - 15.2. Completion of the WMCA Multiply Monitoring Spreadsheet in line with the Operational Plan data return guidance

### **16. Data validation is undertaken by the WMCA**

### **17. Earning Adjustment Statement (EAS) for AEB and Free Courses for Jobs**

- 17.1. The use of the EAS for 2022/23 will be further reduced with it being solely used for Prince's Trust, Excess Learning Support, Additional Learner Support and Discretionary Learner Support going forward.
- 17.2. The use of EAS is now only valid for the below where WMCA has given prior approval and is included in the providers delivery plan:
  - 17.2.1. Excess learning support
  - 17.2.2. Prince's Trust
  - 17.2.3. Learner support
  - 17.2.4. Discretionary Learner Support
- 17.3. EAS claims must be submitted by providers monthly and the values claimed will be reconciled with the occupancy reports, ILR and your agreed delivery plan.

### **18. Payment Arrangements**

- 18.1. The WMCA will run the BACS payments on the 15th working day of each month. You will need to ensure that you have cash flow available to accommodate these payment terms.
- 18.2. Grant Providers will be provided, in advance of the start of the funding year, with a payment profile based on your agreed delivery plan, underpinned by your Grant/Contract.
- 18.3. Contract for Services Providers will receive payment based on actual delivery.

18.4. You will be advised in writing in advance of any in-year changes being made to the value of your Grant or Contract. WMCA reserves the right to cease payments, should you be in breach of your Contract.

18.5. The normal payment timeline is shown below:

Day of month	Action
Workday 4	Provider submits ILR to ESFA
Workday 5	ESFA runs validation checks
Workday 6	WMCA receives occupancy report
Workday 7 – Workday 14	WMCA checks the accuracy of returns
Workday 15	WMCA Bacs run to providers

19. For all providers, funding agreements will span two financial years:

19.1. August 2022 to March 2023: periods 1 to 8 of the 2022 to 2023 funding year

19.2. April 2023 to July 2023: periods 9 to 12 of the 2022 to 2023 funding year

## 20. Grant funding payment arrangements for AEB and Free Courses for Jobs

20.1. Grant-funded providers will have submitted and agreed on a delivery plan for the 2022/23 funding year. The plan includes estimates of volumes across a mix of provisions and spend across the full range of provisions you expect to deliver. The delivery plan should equate to the total value of your Grant allocation.

20.2. Grant can be used only to fund new starts for adult skills, non-formula funded community learning (where applicable to you) and learner support. The delivery plan will underpin your performance management dialogue.

20.3. Providers operating under grant arrangements will be paid on profile. The payment profile for the funding year 1 August 2022 to 31 July 2023 is set out below and includes Community learning:

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Monthly profile	14.4%	8.6%	8.7%	7.1%	5.7%	7.4%	5.4%	5.4%	12.7%	10.2%	8.7%	5.8%
Cumulative monthly profile	14.4%	23.0%	31.7%	38.8%	44.5%	51.9%	57.3%	62.7%	75.3%	85.6%	94.3%	100.0%

20.4. Whilst payment mechanisms might be different, the new risk-based performance management principles will apply to all AEB providers, including those funded by Grant.

20.5. There will be funding review points where we will review allocations in line with the funding claim submissions, which will set out your actual delivery to date and provide a forecast for the remainder of the year.

20.6. The management points for grant using the most recent set of submitted data will be:

Funding review point	Submission date
Mid-year Claim	February 2023
Year-end Claim	June 2023
Final funding Claim	November 2023

- 20.7. The reviews may lead to an adjustment to the maximum contract value. We will work closely with both Colleges West Midlands (CWM) and Adult Community Learning Alliance (ACLA) to reallocate funding from underperforming providers and seek to reallocate to those who can provide a clear rationale for meeting regional skills priorities through growth cases.
- 20.8. Multiply provision management points and payment profiles will be as stated in the Multiply Operational Plan in the schedules of the contract.

## 21. Grant end-of-year reconciliation for AEB

- 21.1. For Grant-funded providers, at the end of the 2022 to 2023 funding year, the WMCA will apply a 3% reconciliation tolerance. Where your overall delivery of your WMCA-devolved AEB is at least 97% of your Grant allocation, the WMCA will not make any year-end adjustment and you will not have to pay back any unspent funds.
- 21.2. Where a Grant-funded provider resides within the WMCA boundary and fails to achieve 97% or above, the WMCA will take the following approach to reconciliation:
- 21.2.1. Out-turn of 90%-97% - WMCA will consider allowing providers to choose to carry over funds into 23/24 contracts for delivery before December 2023 or reconciliation up to 100%.
  - 21.2.2. Out-turn of less than 90% - WMCA will reconcile up to 100%.
- 21.3. Where a Grant Provider resides outside of the WMCA boundary and fails to achieve 97% or above, the WMCA will reconcile to 100%.
- 21.4. The WMCA calculation of whether a provider has delivered 97% will include delivery confirmed through a review of their ILR, EAS information and their in-year overall performance.
- 21.5. Through our in-year monitoring, we will continually test that plan-led providers are focused on meeting their allocation at 100% to inform future changes to the reconciliation tolerances. The WMCA will not pay over 100% unless it agrees to do so through a formal Business case for growth.
- 21.6. In 2022/23, as part of the Performance and Management rules, we are setting a cut-off date of April (R08), for in-year AEB contract reductions, where these may affect end-of-year outturn.

## 22. Contract for services funding arrangements

### 23. Contract funding principles

- 23.1. Providers who have secured an AEB, Free Courses for Jobs or Skills Bootcamps contract with the WMCA will be subject to its risk-based financial due diligence and financial health assessment.
- 23.2. Providers who have secured a Contract with the WMCA will be paid on actual delivery, one month in arrears, for the 2022/23 funding year. Your payments will be based on your actual delivery and reconciled against your proposed delivery plan on a monthly basis. At no stage will the cumulative payments made to a provider, breach the maximum value of the contract.
- 23.3. Any over-delivery or delivery outside the agreed delivery plan will not be funded. Variations to contract values and delivery plans will need to be formalised through a growth/flexibility business case that has been submitted and formally approved in writing by WMCA.
- 23.4. These arrangements will apply to all contracts for service providers.
- 23.5. There will be funding review points where we will review allocations in line with the funding claim submissions, which will set out your actual delivery to date and provide a forecast for the remainder of the year. The management points for Contract for Service providers using the most recent set of submitted data will be:

Funding review point	Submission date
Mid-year Claim	February 2023
Year-end Claim	June 2023
Final funding Claim	October 2023

- 23.6. At key funding review points, we reserve the right to recover funds where underperformance against the delivery plan is a significant concern. If any funds are recovered, we may make this available to fund growth requests covered later in this document.
- 23.7. The WMCA will use the following tolerances at key performance points during the year.

Funding review point	Date	Tolerance
R04	December	15%
R08	April	10%
R12	July	5%
R14	October	0%

- 23.8. The WMCA will reserve the right to re-profile, reconcile or cease payments at any point during the funding agreement period.

- 23.9. Any provider with identified funding under-performance at any of the performance management points must work with their designated WMCA Relationship manager and Skills Delivery Officer by submitting a plan setting out how they intend to address under-delivery.
- 23.10. It should be noted that WMCA will not pay on R13 return and any remaining monies owed to a provider will be paid as part of the R14 reconciliation.

## 24. Formal Performance Review arrangements

- 24.1. Internal Performance review points are as listed below and will include quality, delivery, finance, compliance and your overall progress against your delivery plan.
- 24.2. You may be asked to complete a report. This report will provide qualitative information on your progress in terms of delivery, as well as financial and numerical data. WMCA will use these reports alongside your ILR, EAS and any performance review data, to review the overall position of all Grant Agreements and Contracts for Services.
- 24.3. Internal review points will be risk graded. This will form the base of your Performance reviews and we will formulate an Action Plan for each provider that we will expect to form part of your Adult Skills strategy.
- 24.4. The expectation is that in the 2022/23 academic year, formal performance management reviews will take place twice a year. If the risk profile of the provider changes in-year as listed in the Provider Management Review and Monitoring section, then the WMCA reserves the right to change the performance management arrangements it has with you.

PMR Point	Indicative dates
Review up to R04	January 2023
Review up to R08	April 2023

## 25. Provider Management Review and Monitoring

### 26. AEB and Free Courses for Jobs

- 26.1. Throughout the year and at PMR points, the WMCA assess performance against criteria to determine whether providers meet their obligations as set in contractual agreements related to quality assurance and raising standards.
- 26.2. Your allocated Skills Delivery Officer and/or Relationship Manager will support you monthly with performance reviews, as well as the key performance management points.
- 26.3. The scope of these performance management reviews will cover:

Review point	Timeline	Areas covered
Start of the contract year	November	<ul style="list-style-type: none"> <li>• Previous year's performance against allocation</li> <li>• The previous years' success rate</li> </ul>



		<ul style="list-style-type: none"> <li>• Proportion delivered by sub-contractors</li> <li>• Financial Assessment</li> <li>• Due diligence</li> <li>• Ofsted grade</li> </ul>
Monthly reviews	Monthly	<ul style="list-style-type: none"> <li>• Delivery against profile</li> <li>• Accuracy of data returns and data error value</li> <li>• Outcomes including destinations and sustainable employment outcomes</li> </ul>
Performance management points	R03, R06, R09, R12	<ul style="list-style-type: none"> <li>• Projected earnings against management points (R04, R08, R12)</li> <li>• Review of delivery towards delivery plan</li> <li>• Review of LA spend</li> <li>• Review of the accuracy of data returns</li> <li>• Sub-contractor declarations against actuals</li> <li>• Outcomes including destinations and sustainable employment outcomes</li> <li>• Achievement rates</li> <li>• Community learning review</li> <li>• Return on investment including the provider's response to the WMCA's skills priorities and strategy</li> </ul>
Ad hoc review	As applicable	<ul style="list-style-type: none"> <li>• Ofsted</li> <li>• ESFA/WMCA audits</li> <li>• Providers change i.e. change of the contract</li> <li>• ESFA intervention</li> <li>• Resident complaints/whistleblowing cases</li> </ul>

## 27. DfE Skills Bootcamp Delivery

27.1. This delivery is funded via the Department for Education and is subject to performance reviews from both the DfE and WMCA.

27.2. Your allocated Assistant Skills Delivery Officer and/or Monitoring and Evaluation Officer will support you monthly with performance reviews, as well as the key performance management points.

27.3. The schedule for the performance management points is set out as follows:

Review	Date	Notes
Performance Management Review 1	scheduled to take place in November 2022	will be based on the October 2022 submission to DfE



Performance Management Review 2	scheduled to take place in February 2023	will be based on the January 2023 submission to DfE
Performance Management Review 3	scheduled to take place in April 2023	will be based on the March 2023 submission to DfE.

27.4. The scope of these performance management reviews will cover:

Review point	Timeline	Areas covered
Start of the contract year	November	<ul style="list-style-type: none"> <li>Financial Assessment</li> <li>Due diligence</li> <li>Spend vs Contract to date</li> <li>Outcomes and Destinations</li> <li>Declared Subcontracting</li> <li>ESFA Intervention (if applicable)</li> </ul>
Monthly reviews	Monthly	<ul style="list-style-type: none"> <li>Delivery against profile (based on ILR submission)</li> <li>Data error value</li> <li>DfE/WMCA Audits</li> </ul>
Performance management points	R03, R06, R08	<ul style="list-style-type: none"> <li>Projected earnings against management points (Based on ILR submission and DfE data submission)</li> <li>Review of delivery towards delivery plan</li> <li>Review of LA spend</li> <li>Sub-contractor declarations against actuals</li> <li>Destination and progression data</li> <li>Return on investment</li> </ul>
Ad hoc review	As applicable	<ul style="list-style-type: none"> <li>DfE/WMCA Audits</li> <li>Providers change i.e. change of the contract</li> <li>ESFA intervention</li> <li>Resident complaints/whistleblowing cases</li> </ul>

## 28. DfE Multiply Delivery

28.1. This delivery is funded via the Department for Education and is subject to performance reviews from both the DfE and WMCA.

28.2. Your allocated Skills Delivery Officer, Project manager and/or Monitoring and Evaluation Officer will support you monthly with performance reviews, as well as the key performance management points as detailed in the Multiply Operational Plan.

### 29. RAG Criteria and Informal/Formal Intervention

- 29.1. The following rules apply to all Skills Programmes
- 29.2. This will indicate the level and frequency of WMCA monitoring to be undertaken. It is important to note that a provider's RAG rating can change in year, based on actual delivery, performance reviews and compliance checks. Providers will be graded as:
  - 29.2.1. Green – Low to no risk
  - 29.2.2. Amber – Low to medium risk
  - 29.2.3. Red – High risk
- 29.3. Should you fail to meet the requirements and obligations arising from your contractual agreement, the WMCA may take appropriate informal/formal action against you as required. This involves a three-stage approach as follows:

### 30. Level 1- Increased Monitoring

- 30.1. Increased management intervention e.g. case conferences, increased frequency in engagement, challenging performance and ensuring actions are taken on a timely basis.

### 31. Level 2 – Informal

- 31.1. If data shows that performance is not in line with your delivery plan and funding profile, we will discuss with you the reasons why and request that you develop a performance action plan to bring about improvement in performance. We will agree the actions with you for performance improvement, including incremental performance and pipeline data that may lead to improving performance levels in line with the agreement/contract. In most cases, a cause for concern letter will be issued to the provider, warning them that their performance is of concern to the WMCA.
- 31.2. If the remedial actions captured on the Action Plan are unable to lift your performance in order to meet the delivery profile performance levels, you will be invited to a meeting to discuss performance and receive a management letter to request specific performance improvement. At this stage, you will be informed that formal action could be taken if performance does not improve.
- 31.3. The Action Plan will be reviewed as part of your Performance Review. Moving to Level 2 – Informal within the Performance Management Framework will impact your RAG rating, and therefore the level of provider monitoring.

### 32. Level 3 – Formal

- 32.1. If formal action is required, WMCA will issue a serious breach with remedy notice in accordance with the terms of your Grant Agreement or Contract for Services, to address the minimum standards of service as set out in the grant/contract e.g. delivery plan and quality. WMCA will work with you to support the completion of a Performance Improvement Plan (PIP) and agree the level of management information required with timescales to enable scrutiny of performance improvement against agreed milestones.

- 32.2. If performance does not improve sufficiently to meet the performance levels as required by the serious breach with remedy notice underpinned by the PIP, the WMCA may act to terminate your grant/services grant agreement.
- 32.3. The serious breach remedy notice will be reviewed as part of your Performance Review. Moving to Level 3 – Formal within the Performance Management Framework will impact your RAG rating, and therefore the level of provider monitoring and scrutiny. It may also impact any request for growth or contract extensions for future years.

### **33. Compliance**

- 33.1. In order to gain assurance, the WMCA's Skills Delivery team will undertake regular compliance checks of all providers. These compliance checks may also be outsourced to a WMCA partner. The number of compliance checks undertaken per year will be dependent upon the RAG rating assigned to you as outlined above.
- 33.2. The compliance checks will include, but not be limited to:
- 33.2.1. Systems and processes
  - 33.2.2. ILR Data
  - 33.2.3. EAS submission
  - 33.2.4. Sample check of learner files
  - 33.2.5. Sub-contracting arrangements
  - 33.2.6. Other contractual requirements
- 33.3. WMCA will select a sample of learner files to check randomly using a method chosen by WMCA. The frequency, periodicity and size of the samples may change throughout the contract period. We also reserve the right to request compliance audits on specific areas of delivery as part of our financial risk management.
- 33.4. As part of our compliance monitoring, we will continue to monitor compliance with the funding rules. We will contact you when we identify you have submitted data that does not meet our funding rules and ILR requirements.
- 33.5. We will require you to correct inaccurate ILR and EAS data or to adjust your final funding claim.

### **34. Changes to your Skills Programme delivery plan/allocation**

#### **35. AEB, DfE Skills Bootcamps and Multiply**

- 35.1. The WMCA will consider in-year growth and flexibility requests subject to affordability and subject to such requests addressing the priorities. The WMCA will consider the request in line with the following principles:
- 35.1.1. Our Regional Skills Plan (RSP) will frame priorities for funding
  - 35.1.2. We will operate within the integrity of the specification and contract award criteria set out in the skills portfolio commissioning and procurement framework
  - 35.1.3. We will consult with Local Authorities, Jobcentre Plus (JCP) and other stakeholders as appropriate to validate requested changes in the provision or identify gaps in localities

- 35.1.4. We will evaluate financial risk and exposure
- 35.1.5. Additional allocations and growth will only be considered where providers are meeting the current delivery plan and outcomes (including sustainable job outcomes). This applies to all Lots and contracts being delivered and therefore underperformance on one Lot or contract could result in the WMCA deciding not to approve additional allocations or growth.
- 35.2. New funding and funding recycled from underperformance may be offered to Providers who meet the following criteria:
  - 35.2.1. You have evidence of AEB-eligible demand for learning that meets local priorities and delivers tangible outcomes in regard to sustainable employment and progression routes for employed residents.
  - 35.2.2. You have an AEB Grant Funding Agreement and progressing well against your delivery plan and the priorities set out in the RSP, with a focus on Level 3.
  - 35.2.3. You have an AEB contract for service, the progressing well against your delivery plan with a specific focus on level 3, and you are on profile against the financial profile at the performance management points.
  - 35.2.4. You have a good track record of accurate forecasting and delivery. Please note you will be judged on the accuracy of your forecasts for any future change requests.
  - 35.2.5. You are not under notice for failure of inspection or serious breach of contract under remedy notice.
- 35.3. In the instances where growth is awarded, the provider's delivery plan will be updated to reflect the growth and monitored against the review plan.
- 35.4. The Business case process and an application form can be found on our [website](#). These should be discussed and submitted to your Skills Delivery Officer.

### **36. Free Courses for Jobs**

- 36.1. The WMCA expects providers to be proactive and responsive to market requirements and therefore does not require providers to submit a business case for delivering qualifications that are not part of their delivery plan, provided that:
  - 36.1.1. The course they intend to deliver is funded through Free Courses for Jobs
  - 36.1.2. They notify the WMCA that they will be delivering the course
- 36.2. It is important that providers continue to ensure they work within the performance parameters for FCFJs and that 70% of funding is focused on Diploma delivery.
- 36.3. In year, providers may wish to request that qualifications are added to the FCFJ funding list. If a provider wishes to do this, please contact the Skills Delivery team or your allocated Skills Delivery Officer.

### **37. Destination and progression tracking**

- 37.1. Guidance on destination definitions and the timelines for WMCA destination reviews can be found in the Skills Programme Coding Guidance
- 37.2. As stated the WMCA Funding Rules 22/23:

- 37.2.1. ‘...As a condition of funding, all destinations and/or progression details are a mandatory requirement for WMCA residents, this includes Community Learning. Providers must limit ‘unknown’ destination reporting. Destination and progression must be detailed in the defined fields within the ESFA ILR...’
- 37.3. WMCA expect all providers to collect and update destination and progression data in the ILR monthly.
- 37.4. For DfE Skills Bootcamps, providers are also required to report on destination and progression through the completion of the Wave 3 spreadsheet, in line with the DfE data return guidance.
- 37.5. Destination data will allow us to test the impact of agreed programmes to ensure we are offering the right provision for our residents and employers in the CA region.
- 37.6. Non-collection and recording of destination data could impact future business cases. WMCA also reserve the right to review allocations or move funding, where we feel the impacts are not being met.
- 37.7. WMCA expect providers to continue tracking Students. However, once a job outcome has been achieved, there is no further requirement to update the destination field.
- 37.7.1. However, for 13-week sustainment claims, the appropriate LARS code should be applied
- 37.8. Although it is not a requirement to gain further destinations, it would be best practice to continue to follow the learner’s journey and update where possible.
- 37.9. All learners must receive a Day One outcome that is relevant to their current employment status.
- 37.10. All outcomes are auditable, and Providers must be able to supply the required evidence to support the destination.
- 37.11. In the 2021/22 academic year. The WMCA introduced an 8-week rule to allow providers time to collect the outcome and evidence associated with it. For example, if a student completes on 1st October 2022, we would not include their destination in our data set until 27th November 2022. We will continue to use this rule in 2022/23.
- 37.12. WMCA will, however, include any job and education destinations you record in this time to ensure that providers are not penalised by the 8-week rule.
- 37.13. KPI’s for destination data are set out as below, providers will be RAG graded on destination in line with the below KPI’s at R03, R06, R09, R12.

<b>Programme Type</b>	<b>KPI into sustainable employment</b>
SWAP’s	65%
Sector Gateways	65%
Construction gateway	65%
Lot 7	In line with contract and set KPI’s in your delivery plan
Lot 3	In line with contract and set KPI’s in your delivery plan

Approved flexibilities	In line with your business case approval
Lot 8	In line with contract and set KPI's in your delivery plan
Lot 9	In line with contract and set KPI's in your delivery plan
Free Courses for Jobs	In line with contract and set KPI's in your delivery plan
DfE Skills Bootcamps	75%

37.14. Please refer to the coding guidance for more information on destination collection.

### 38. Contacting us

38.1. You can contact us via the following email address;  
[skills.programmes@wmca.org.uk](mailto:skills.programmes@wmca.org.uk)

38.2. Data support can be contacted via the following email address;  
[AEBDataReturns@wmca.org.uk](mailto:AEBDataReturns@wmca.org.uk)

38.3. You can also contact your dedicated WMCA Skills Delivery Officer.

### Annex X - Amendments made from previous academic year

Paragraph	Amendment Detail
1	Included links to several documents related to the paragraph
3	Update to when this document will be reviewed again
6	References to performance during pandemic removed
17	References to ESFA performance tolerances have been removed and the WMCA's commitment to retaining these
19-33	We have revised our Financial Due Diligence section and restructured the location of each section.  In paragraphs 28-32 we have reviewed our Financial Due Diligence guidance and included the process for 22/23.
34	Previously paragraph 30. Reference to AEB Funding rules removed and replaced with WMCA Community Learning Strategy/Community Learning Investment Plans.

35-39	Previously paragraphs 33-35, these paragraphs have been updated to reflect the changing priorities for Community Learning, based on our Community Learning Strategy and Investment Plan
46	New paragraph requesting that Supply Chain Partners who hold a contract more than £500,000 to attend Performance Management Reviews with providers.
46-59	Formerly paragraphs 43-58. We have revised the Data Submission/Individual Learning Record sections to include up to date guidance for Data Submissions. We have also removed paragraphs that are already included in our funding rules and included references in this document to sign-post providers. Paragraphs 58 and 59 are specifically rated to data submissions for DfE Skills Bootcamp delivery.
61	Formerly paragraph 63. This has been updated to include the Discretionary Learner Support fund.
67	Formerly Paragraph 69. Updated schedule to include a date range of when the WMCA checks accuracy of returns.
77-78	The WMCA has outlined its approach for Grant Funded reconciliation in 22-23
	Formerly Paragraph 79. We are no longer taking the impact of Covid into consideration during reconciliation and have removed this paragraph.
80	New paragraph confirming that providers must ensure that they have made decisions over in-year reductions by R08 (April), where it may impact end-of-year reconciliation.
81	New paragraph clarifying that payments will not be made to providers in R13, and final payment will be made in R14 once reconciliation has taken place.
86	Updated schedule for Final Funding Claim submission date
91	New paragraph clarifying that payments will not be made to providers in R13, and final payment will be made in R14 once reconciliation has taken place.
125-127	The WMCA has outlined the process for providers making changes to their Free Courses for Jobs's delivery plan.



128	Formerly paragraph 127. We have updated the table to reflect all KPI's for destinations.
132	Additional guidance on DfE Skills Bootcamps destination tracking and reporting.
141	The introduction on KPI's for Lot's 7, 8 and 9, as well as Free Courses for Jobs and DfE Skills Bootcamps.

<b>Issue date;</b>	December 2022
<b>Senior policy owner;</b>	Clare Hatton
<b>Document owner;</b>	Joanne Galvin