

# **WEST MIDLANDS COMBINED AUTHORITY**

## **Skills Programmes Provider Payment & Performance Management Framework (For the funding year 1 August 2023 to 31 July 2024) Version 1**

This document sets out the funding rules that apply to all providers of education and training who receive skills programmes funding, including but not limited to Adult Education Budget funding, Free Courses for Jobs (FCFJ) funding, UK Shared Prosperity Fund (UK SPF), Multiply and/or National Skills Fund Technical Bootcamp funding for residents, residing in the West Midlands Combined Authority (WMCA) area. Additional guidance on these programmes will be given in the documents listed in Annex A. Providers must read these in conjunction with the Skills Programmes Provider Payment & Performance Management Framework.

July 2023

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## **WMCA Skills Programmes Provider Payment & Performance Management Framework. Key Changes for 2023/24**

Area	Overview of change	Version changed
<a href="#">Quality Assurance framework</a>	Introduction of a Quality Assurance Framework which sets out how WMCA will monitor and grade Quality Assurance.	1
Removal of Funding claim submissions	WMCA will no longer issue funding claim submissions to Contract for Service providers in line with the Mid year and End of year claims.	1
<a href="#">Ofsted</a>	WMCA process for Ofsted notification and outcomes	1
UK Shared prosperity fund (UKSPF)	Overview of data requirements and processing in line with the <a href="#">Operational plan</a> for UKSPF	1
<a href="#">Payment methodology for Grant providers</a>	Change in the payment methodology for Grant providers to a flat profile. WMCA will pay allocations in 12 equal instalments to adult education budget grant funding for the 2023/24 funding year onwards.	1

### **Section 1 - Introduction and Purpose**

#### **1. Introduction**

- 1.1. This document provides guidance on the West Midlands Combined Authority (WMCA) Payment and Performance Management Framework for the 2023 to 2024 funding year (1 August 2023 to 31 July 2024) for Grant funded, Community Learning and Contracts for Service providers. The Framework consists of the Adult Education Budget (AEB), Free Courses for Jobs (FCFJ), UK Shared Prosperity Fund (UK SPF), Multiply, National Skills Fund (NSF) Technical Bootcamp, and Pre-apprenticeship and Traineeships.
- 1.2. Additional guidance on the delivery of programmes may be given in programme-specific documents listed in [Annex A](#) Providers must read these in conjunction with this Framework.
- 1.3. This document forms part of the terms and conditions of WMCA funding and You must read and comply with them in conjunction with your Agreement.
- 1.4. You must operate within the terms and conditions of the Agreement, this Framework, the [Skills Programme Funding rules](#), [Skills Programme Coding guidance](#) and the Individualised Learner Record (ILR) specification. If You do not, you are in breach of Your Agreement with WMCA.
- 1.5. All information, including any hyperlinks, are correct at the time of publishing. During the 2023/2024 funding year, this document will be kept under review to reflect how WMCA may need to respond to the changing economic context.
- 1.6. The WMCA reserves the right to make changes to these Funding Rules and will publish any updated versions on the WMCA website. It is your

responsibility to ensure that you regularly visit the [WMCA website](#) and comply with the current version of this Framework.

## 2. Understanding the terminology

- 2.1. The terms 'WMCA', "Our" "Us", and "We" refer to the West Midlands Combined Authority.
- 2.2. When WMCA refers to 'You', "Your" or 'Providers', this includes but is not limited to Colleges, Sixth Form Colleges, Contract for Services including Independent Training Providers, voluntary community sector providers and Local Authorities who receive funding from Us to deliver Skills programmes and training to WMCA residents.
- 2.3. WMCA will use the generic terms 'You', "Your" or 'Provider' unless the requirements only apply to a specific provider type.
- 2.4. We use the term 'Agreement' to include:
  - 2.4.1. conditions of funding (grant).
  - 2.4.2. grant funding agreement/grant agreement.
  - 2.4.3. contract for services
- 2.5. We use the terms 'resident' and 'learner' to cover the individuals who are receiving services funded by Us.

## 3. Overview

- 3.1. It is 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 meets local needs.
- 3.2. 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, Quality and Compliance, in-year performance, minimum standards, financial health, financial management and control, and delivery against your contract, where this information is available.
- 3.3. At the centre of our provider management approach is the delivery plan, which we agree on with each 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 and other quality standards will inform decisions related to intervention and funding changes.
- 3.4. We have two means of procuring Skills programmes:
  - 3.4.1. Grant-funded provision (underpinned by a delivery plan)
  - 3.4.2. Procured provision via a Dynamic Purchasing System (underpinned by a delivery plan) delivered through a Contract for Service
- 3.5. 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

- 3.6. We will continue to bring a sharper focus on outcomes for our residents related to job outcomes, and in-work progression leading to better pay for low waged residents. As set out in this document and as part of the conditions of funding, the accuracy and timeliness of recording destinations will be key across all provider types.
- 3.7. 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 into employment programmes, such as SWAP, Sector Gateway, Construction Gateways and Bootcamps.
- 3.8. Our Performance Management approach is risk-based, using regular performance management points to test progress against the delivery plan and associated funding profile. We may increase or decrease the frequency and scope of reviews, based on risk.
- 3.9. To enable this dialogue, each provider will have a nominated lead to manage the relationship and implement this approach. Providers with large-value contracts will also be allocated a Relationship Manager.

## Section 2 - Grant-funded providers

### 4. Overview

- 4.1. The WMCA will issue Grant agreements on an annual academic-year basis.
- 4.2. Where there is underperformance, we reserve the right to rebase provider allocations in year.
- 4.3. We will hold performance management meetings up to three times a year. At these points, significant under-delivery may be redeployed and payments re-profiled.
- 4.4. Where underperformance is identified, WMCA will endeavour to work with providers to manage the underperformance, however, where deemed necessary, we may rebase allocations automatically.
- 4.5. We have set a cut-off date of May (R09), for in-year Skills Programme contract reductions, where these may affect the end-of-year out-turn.
- 4.6. Providers do not need to wait for performance management points to discuss reprofiling if they identify underperformance or where they are experiencing high demand.
- 4.7. Growth isn't guaranteed; however, we will be open to discussions. Any growth requests will need to follow the [WMCA business case process](#) and will need to be in line with the [AEB Strategy](#).
- 4.8. Growth awards 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 clear positive destination data before we increase funding.
- 4.9. Over delivery and/or delivery towards non-approved qualifications or projects will not be funded, unless an appropriate business case has been submitted and approved, in writing by WMCA.

- 4.10. We will continue to pay providers operating under Grant Agreement on the [standard profile](#) in line with the ESFA national funding arrangements. Where a fund has a specific payment profile this will be detailed in your Grant Agreement.
- 4.11. We will continue to consult with Colleges West Midlands (CWM) and Adult and Community Learning Alliance (ACLA) during the year on the suitability of the profile and will consider alternative arrangements, should they be proposed.

## 5. Financial Intervention Regime for FE Colleges

- 5.1. 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](#).
- 5.2. 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.
- 5.3. 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.
- 5.4. The WMCA will be working with the DfE territorial teams and will 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:
  - 5.4.1. is in the interest of the learner
  - 5.4.2. protects public money
  - 5.4.3. achieves a resolution of financial or quality concerns at a pace

## 6. Community Learning

- 6.1. 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.
- 6.2. ILR data must be recorded using the WMCA source of funding code, 112 and the Funding Model Code 10.
- 6.3. CL will continue to be funded under grant funding to local authorities and colleges recognised by the WMCA as community learning providers.
- 6.4. 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.
- 6.5. 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 linked to the CL progressions Framework:
  - 6.5.1. Improving Health and Well-being
  - 6.5.2. Improving confidence

- 6.5.3. Improved inclusion and integration
- 6.5.4. Development of key skills
- 6.5.5. Preparation for employment

### **Section 3 - Contract for Service providers**

#### **7. Overview**

- 7.1. The WMCA will award delivery via Contracts for Service following procurement exercises.
- 7.2. Each contract is awarded in line with the specification.
- 7.3. Contract for services providers should review the contract term as set out in the specification. Contract allocations are subject to an agreed delivery plan and financial funding forecast.
- 7.4. Delivery plans and profiles will be requested and agreed upon yearly, in order to monitor performance and in line with the agreed contract term.
- 7.5. We will hold performance management meetings up to three times a year. At these points, significant under-delivery may be redeployed and payments re-profiled. We will reserve the right to also monitor how you are delivering against your social value metrics.
- 7.6. Significant under-delivery may result in contract reductions and where applicable contract termination. You can approach your relationship manager should you wish to voluntarily reduce your allocation; however, this will be subject to review as part of our performance management approach.
- 7.7. We will be open to discussions about growth in year, however, there is no guarantee that we will be able to award this. 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.
- 7.8. 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.

#### **8. Financial due diligence Providers in receipt of a Contract**

- 8.1. WMCA will test financial health yearly to gain some assurance that providers are financially resilient.
- 8.2. 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.
- 8.3. It is mandatory for all providers to submit the information requested by the deadlines provided.
- 8.4. 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 to financial probity.
- 8.5. More information on the Financial Due Diligence and Financial Health Monitoring for Independent Training Providers (ITPs) can be found [here](#).



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

- 9.1. 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.

## Section 4 - Supply chain and Consortia

### 10. Overview

- 10.1. 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.
- 10.2. As part of the yearly delivery plan process, a declaration of supply chain information and values will be requested. A letter of approval will be sent confirming our agreements, where applicable.
- 10.3. In line with the [Supply chain rules](#). We will be requesting an update on supply chain during the Mid-year and Final funding year returns.
- 10.4. You cannot enter into a supply chain relationship without the express written agreement of the WMCA at any point in the year.
- 10.5. If you wish to review any part of your supply chain midyear, including supply chain values, please submit a [business case](#).
- 10.6. If providers intend to source, through procurement or otherwise, additional supply chain members, then the WMCA must be notified in advance of the 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.
- 10.7. From the 2024 to 2025 funding year onwards supply chain, in any given funding stream may only be up to 25% of that funding stream unless the express permission of WMCA has been sought and granted via a Business case or as part of the WMCA commissioning. Local Authorities are exempt from this rule
- 10.8. Where the aggregate value of the supply chain delivery partner's delivery exceeds £500,000 or more than 25% of your provision is Supply chain, we expect the supply chain delivery partner/s to partake in the standard Performance Management Reviews held between the WMCA and the lead provider.
- 10.9. 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 2023 to 2024. You must send this information to your Skills delivery officer as part of your final funding claims.
- 10.10. You must obtain an annual report from an external auditor if the WMCA-funded Skills Programme contracts with your supply chain delivery partners exceed £100,000 in anyone funding year.

- 10.11. For full details on our Supply Chain rules, please refer to the Skills Programme [Supply chain rules](#).

## Section 5 - 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.
- 11.3. ILR data submitted for WMCA residents will continue to be sent to the ESFA through "[Submit learner data portal](#)".
- 11.4. 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](#).
- 11.5. 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.
- 11.6. As a provider, you must submit a single file containing all your learners and 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.
- 11.7. 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.
- 11.8. Providers should refer to the [ILR Specification](#), validation rules and appendices 2023 to 2024 to assist them with uploading the data correctly and in the format required by the ESFA.
- 11.9. In addition to the requirement set out in the ILR Specification, WMCA have a set of funding codes and guidance unique to our delivery and funding rule and can be found in the [Skills Programme Coding guidance](#).
- 11.10. 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 WMCA contact.
- 11.11. 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.

#### 12. Data validation undertaken by the WMCA

- 12.1. WMCA will complete an additional check on ILR submissions to ensure they meet with the funding provision awarded and [Skills Programme Coding guidance](#).
- 12.2. We will contact you when we identify you have submitted data that does not meet our funding rules and ILR requirements.
- 12.3. We will require you to correct inaccurate ILR and EAS data; WMCA will exclude related payments until corrected.
- 12.4. Additional quality checks will be completed throughout the funding year in line with the [Quality Assurance Framework](#), to satisfy the quality of your data submissions. We will require you to correct inaccurate ILR and EAS data submissions where required.

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

- 13.1. For DfE Skills Bootcamps, providers should refer to the [DfE Skills Bootcamp guidance](#).
- 13.2. Delivery partners are expected to make their submission in 2 parts as follows
  - 13.2.1. A monthly ILR return which is completed in line with the [Skills programme coding guidance](#)
  - 13.2.2. Completion of the DfE Datasheet as detailed within the [DfE Skills Bootcamp guidance](#) (which sets out the monthly submission dates).
  - 13.2.3. Providers should ensure, data is in line with that of the ILR return.

#### 14. Additional data submissions for DfE Multiply Delivery

- 14.1. For Multiply, providers should refer to their [Operational Plan](#)
- 14.2. Delivery partners are expected to make their submission in 3 parts as follows
  - 14.2.1. An ILR return which is completed in line with the [Skills programme coding guidance](#).
  - 14.2.2. Completion of the WMCA [Multiply Monitoring Spreadsheet](#) in line with the [Operational Plan data return guidance](#)
  - 14.2.3. Engagement & outreach activity logged on survey monkey

#### 15. Additional data submissions for DLUHC UK Shared Prosperity Fund Delivery

- 15.1. For UKSPF, providers should refer to the [UKSPF Operational Plan](#)
- 15.2. Delivery partners are expected to make their submissions in line with the guidance contained within the [Operational Plan](#) outlined as follows:
  - 15.2.1. Monthly performance updates on WMCA UKSPF Project Delivery Performance Template
  - 15.2.2. Quarterly qualitative reporting WMCA UKSPF Monitoring and Evaluation Return

### Earning Adjustment Statement (EAS)

- 15.3. The use of EAS is only valid for the below where WMCA has given prior approval and is included in the providers delivery plan:
  - 15.3.1. Excess learning support
  - 15.3.2. Prince's Trust
  - 15.3.3. Learner support
  - 15.3.4. Discretionary Learner Support
- 15.4. 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.

## **Section 6 – Payments and Funding**

### 16. Payment arrangements

- 16.1. 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.
- 16.2. Grant Providers will be provided, with a payment profile, underpinned by your Grant/Contract.
- 16.3. Contract for Services Providers will receive payment based on actual delivery, paid monthly in arrears.
  - 16.4. For Skills Bootcamp, payments will be based on ILR submissions only. Providers should ensure data sheets and ILR submissions match.
- 16.5. 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.
- 16.6. 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

- 16.7. For all providers, funding agreements will span two financial years:
- 16.8. August 2023 to March 2024: periods 1 to 8 of the 2023 to 2024 funding year
- 16.9. April 2024 to July 2024: periods 9 to 12 of the 2023 to 2024 funding year

### 17. Grant funding payment arrangements for AEB

- 17.1. Grant-funded providers will have submitted and agreed on a delivery plan for the 2023/24 funding year. The plan includes estimates of volumes and spend across the range of provisions. The delivery plan should equate to the total value of your Grant allocation, including any DLSF and/or ALS.
- 17.2. 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.
- 17.3. Providers operating under grant arrangements will be paid on profile. The payment profile for the funding year 1 August 2023 to 31 July 2024 is set out below and includes Community learning:

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Monthly profile	8.333 %	8.333 %	8.333 %	8.333 %	8.333 %	8.333 %	8.333 %	8.333 %	8.333 %	8.333 %	8.333 %	8.333 %
Cumulative monthly profile	8.33%	16.67%	25.00 %	33.33 %	41.67%	50.00 %	58.33 %	66.67 %	75.00 %	83.33 %	91.67%	100%

- 17.4. WMCA will conduct 3 funding review points, where we will review payments against funding claim submissions and contract allocation. Providers will be expected to supply actual delivery funding to date and provide a realistic forecast for the remainder of the contract year.
- 17.5. The management points for Grant contracts using the most recent set of submitted data will be:

Funding review point	Submission date
Mid-year Claim	February 2024
Year-end Claim	June 2024
Final funding Claim	November 2024

- 17.6. 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.

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

- 18.1. For Grant-funded providers, at the end of the 2023 to 2024 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.
- 18.1.1. Where a Grant-funded provider fails to achieve 97% or above, the WMCA will reconcile 100% of the shortfall.

- 18.2. 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.
- 18.3. Through our in-year monitoring, we will continually test that plan-led providers are focused on meeting their allocation to inform necessary adjustments to the profile payments.
- 18.4. The WMCA will not pay over 100% unless it agrees to do so through a formal [Business case](#) for growth.
- 18.5. In 2023/24, as part of the [Performance and Management rules](#), we are setting a cut-off date of May (R09), for in-year AEB contract reductions, where these may affect end-of-year outturn.

### 19. Contract for services funding arrangements

- 19.1. Providers who have secured a skills programme funding contract with the WMCA will be subject to its risk-based financial due diligence and financial health assessment.
- 19.2. Providers who have secured a Contract with the WMCA will be paid on actual delivery, one month in arrears, for the 2023/24 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.
- 19.3. 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.
- 19.4. These arrangements will apply to all contracts for service providers.
- 19.5. WMCA will conduct funding review points, where we will review payments against funding claim submissions and contract allocation. Providers will be expected to provide a realistic forecast.
- 19.6. Contract for service providers, will be expected to submit a funding forecast as part of their PMR.
- 19.7. 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.
- 19.8. The WMCA will use the following tolerances at key performance points during the year.

Funding review point	Tolerance
4th funding return	15%
8th Funding return	10%
12th funding return	5%
Final funding return	0%

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

- 19.10. Any provider with identified funding under-performance at performance management points, must submit a plan setting out how they intend to address under-delivery.
- 19.11. It should be noted that R13 payments will be withheld, funding reconciliation will be completed at R14, and any remaining monies owed to a provider will be paid as part of the R14.
- 19.12. Providers must ensure that data is updated regularly to ensure overpayments are minimised. Overpayments will be reconciled as part of our R14 reconciliation.

## Section 7 - Formal Performance Review and monitoring arrangements

### 20. Provider Monitoring

- 20.1. 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.
- 20.2. Your allocated Skills Delivery Officer and/or Relationship Manager will support you monthly with performance reviews, as well as at the key performance management points.

### 21. Formal Performance Management approach AEB and FCFJ

- 21.1. The expectation for the 2023/24 academic year, is for formal performance management reviews to take place twice a year. Should the provider be classed as high risk, then the WMCA reserves the right to change the performance management arrangements it has with you.
- 21.2. Performance reviews will be conducted by your Skills Delivery Officer and Relationship Manager (where applicable) Reviews may include, but are not limited to, performance, quality, delivery, finance, compliance, and your overall progress against your delivery plan and impact.

PMR Point	Indicative dates
Review up to R04	February 2024
Review up to R08	May 2024

\*\*Please note, that when contracts start later in the year, indicative dates may vary.

### 22. DfE Skills Bootcamp Delivery

- 22.1. This delivery is funded via the Department for Education and is subject to performance reviews from both the DfE and WMCA.
- 22.2. Your allocated Skills Delivery Officer and/or Monitoring and Evaluation Officer will support you monthly with performance reviews, as well as the key performance management points.
- 22.3. 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 2023	will be based on the October 2023 submission to DfE
Performance Management Review 2	scheduled to take place in February 2024	will be based on the January 2024 submission to DfE
Performance Management Review 3	scheduled to take place in April 2024	will be based on the March 2024 submission to DfE.

### 23. DfE Multiply Delivery

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

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](#).

### 24. DLUHC UK Shared Prosperity Fund Delivery

24.1. This delivery is funded via the Department for Levelling Up, Housing & Communities and is subject to performance reviews from both DLUHC and WMCA.

24.2. 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](#).

## Section 8 RAG Criteria and Intervention

### 25. RAG process

25.1. The following rules apply to all Skills Programmes

25.2. RAG grading 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:

25.2.1. Low – Low to no risk

25.2.2. Medium – Low to medium risk

25.2.3. High – High but short-term risk

25.2.4. Very High – Very high risk such as breach of contract

25.3. The scope of performance management monitoring 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 e.g., change of the contract</li> <li>• ESFA intervention</li> <li>• Resident complaints/whistleblowing cases</li> </ul>

25.4. 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.

25.5. This involves a three-stage approach as follows:

### 26. Level 1- Increased Monitoring

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

### 27. Level 2 – Informal intervention

27.1. Informal intervention, a [Cause for concern](#) letter will be issued to the provider, highlighting the area/s of concern

- 27.2. WMCA will have an open discussion with you around the issues, and work with you to develop an action plan to bring about improvements.
- 27.3. In most cases.
- 27.4. If the remedial actions captured on the Action Plan are unable to be corrected in the timeline provided, you will be invited to a formal meeting to discuss the issues. At this stage, you will be informed that formal action could be taken if they are no improvements

### 28. Level 3 – Formal intervention

- 28.1. If formal action is required, WMCA will issue a serious breach or Cause for concern – suspension, with remedy notice in accordance with the terms of your Grant Agreement or Contract for Services
- 28.2. WMCA will work with you to support the completion of a Performance Improvement Plan (PIP) and agree on the actions required and timescales to enable scrutiny of improvement against agreed milestones.
- 28.3. If performance does not improve sufficiently to meet the levels required, the WMCA may act to terminate your grant/services grant agreement.
- 28.4. 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. Level 3 may also impact any request for growth or contract extensions for future years.

## **Section 9 Quality Assurance**

### 29. Compliance

- 29.1. As part of our assurance work, the WMCA will be monitoring the data you submit to the ESFA from the ILR and the EAS.
- 29.2. In order to gain assurance, the WMCA will undertake regular compliance reviews of all providers in line with the [Quality Assurance Framework](#).
- 29.3. The compliance reviews will include, but not be limited to:
  - 29.3.1. Systems and processes
  - 29.3.2. ILR Data
  - 29.3.3. EAS submission
  - 29.3.4. Sample check of learner files
  - 29.3.5. Sub-contracting arrangements
  - 29.3.6. Other contractual requirements
- 29.4. The WMCA will carry out regular desktop reviews of how the national funding system and the [WMCA Skills programme Funding rules](#) are operating, allowing us to identify possible errors in the devolved Skills Programme funding claimed for WMCA residents by providers, which might require further investigation.
- 29.5. 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 or seek to reconcile.

- 29.6. 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.
- 29.7. In addition, WMCA will expect providers to regularly review their software systems and processes to check for data accuracy.

### 30. Ofsted

- 30.1. Providers should continuously seek to improve the Services and raise standards to benefit residents.
- 30.2. WMCA reserves the right, to ask for evidence to support the quality improvement processes.
- 30.3. Providers should use all reasonable endeavours to:
  - 30.3.1. minimise drop-out rates, deliver high completion, achievement rates and appropriate progression.
  - 30.3.2. meet the minimum quality standards published by the DfE and/or the WMCA that apply to the services.
  - 30.3.3. ensure competent and appropriately qualified staff deliver and assess learning. The provider shall be responsible for the continuing professional development and training of its staff.
  - 30.3.4. offer equality of access to learning opportunities and close equality gaps in learning and outcomes.
  - 30.3.5. provide a safe, healthy and supportive environment, which meets the needs of the residents.
  - 30.3.6. provide good management and leadership of the learning process; deliver value for money and financial probity; and
  - 30.3.7. ensure all subcontractors delivering Services under the Contract on behalf of the provider, comply with the requirements set out above.
- 30.4. Providers will have the primary responsibility for improving standards and will need to demonstrate to the WMCA satisfaction that it has an effective quality assurance system based on the implementation of its quality improvement process.

### 31. Ofsted Notification

- 31.1. Ofsted may, at any time, undertake an inspection of the Provider.
- 31.2. When the provider receives notification from Ofsted that the Services are to be inspected, the provider shall on request, provide the WMCA with details of its quality improvement activity, and any other relevant information in accordance with the required timescale of Ofsted.
- 31.3. The Provider must notify the WMCA of the date of the meeting at which Ofsted will give feedback on the inspection and allow the WMCA's nominated representative to attend the meeting or;

- 31.4. The Provider must confirm to the WMCA in writing the outcome of the inspection within 5 working days of receiving the feedback from Ofsted.

### 32. *Ofsted Outcome*

- 32.1. The WMCA will take action based on Ofsted's provisional grading, this could include a request for a Post Inspection Action Plan (PIAP) and/or suspension of some or all services in line with the below results.
- 32.2. Where the WMCA is made aware that the provider has made a complaint about the graded outcome of the overall assessment by Ofsted, the WMCA will continue to progress in line with the sections below but will be mindful of the implications arising from the outcome of a complaint.
- 32.3. The WMCA will review any decisions made at such time as the outcomes of any complaint are made known.
- 32.4. The WMCA will consider the outcome of any such Ofsted inspection of the Contractor as follows

### 33. Inadequate in part

- 33.1. Where Ofsted has assessed the Services to be inadequate in any sector-specific areas, the WMCA may, in its absolute discretion take one or more of the following actions:
- 33.1.1. require the provider to accept and comply with additional Contract obligations relating to the improvement of the Services assessed as inadequate.
- 33.1.2. require the provider to suspend the recruitment of Learners to, and/or to cap any growth in, the Services which is assessed as inadequate.
- 33.1.3. give consideration to the Services which are assessed as inadequate in their allocations when finalising the amount of Funding in any subsequent Contracts between the Parties.
- 33.1.4. reduce, suspend or recover payment to the provider in respect of that part of the Services assessed as inadequate; and/or
- 33.1.5. terminate the contract in accordance with the contract agreement.

### 34. Inadequate overall

- 34.1. Where the WMCA is made aware that Ofsted has provisionally assessed the Services to be inadequate overall, the WMCA may, in its absolute discretion take one or more of the following actions:
- 34.1.1. require the provider to accept and comply with temporary additional Contract obligations relating to the improvement of the overall Services, including but not limited to, requiring the provider to temporarily suspend the recruitment of Learners and/or temporarily cap any growth in those Learning Programmes which are assessed as inadequate; and/or

- 34.1.2. commence discussions with the Contractor and the Local Authority within whose area the Contractor is located, either with Ofsted or not, as part of considering what actions may be taken.
- 34.1.3. reduce, suspend or recover payment to the provider; and/or
- 34.1.4. terminate the Contract in accordance with the contract agreement.

## **Section 10 - 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. The integrity of the specification and contract award criteria set out in the skills portfolio commissioning and procurement framework
- 35.2. 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
- 35.3. We will evaluate financial risk and exposure
- 35.4. Additional allocations and growth will only be considered where providers are meeting the current delivery plan and outcomes (including sustainable job outcomes).
- 35.5. 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 to minimise risk.
- 35.6. Funding recycled from underperformance may be offered to Providers who meet the following criteria:
  - 35.6.1. 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.
  - 35.6.2. 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.
  - 35.6.3. 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.
  - 35.6.4. 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.
  - 35.6.5. You are not under notice for failure of inspection, Cause for concern or serious breach of contract under remedy notice.
- 35.7. In the instances where growth is awarded, the provider's delivery plan will be updated to reflect the growth.
- 35.8. 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 approved FCFJ 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.

## **Section 11 - Destination and Progression**

### **37. Tracking and recording**

- 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 in the [Skills Programme Funding Rules 23/24](#):
  - 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 DfE data sheet, 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.
- 37.8. All learners must receive a Day One outcome that is relevant to their current status.
- 37.9. All outcomes are auditable, and Providers must be able to supply the required evidence to support the destination.

- 37.10. 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. We will continue to use this rule in 2023/24.
- 37.11. WMCA will include any job and education destinations you record in this time to ensure that providers are not penalised by the 8-week rule.
- 37.12. KPIs for destination data are set out as below, providers will be RAG graded on destinations in line with the below KPIs at R03, R06, R09, and R12.

Programme Type	KPI into sustainable employment
Into work programmes	65%
Lot 7	In line with the contract and set KPIs in your delivery plan
Approved flexibilities	In line with your business case approval
Lot 8	In line with the contract and set KPIs in your delivery plan
Lot 9	In line with the contract and set KPIs in your delivery plan
Free Courses for Jobs	In line with the contract and set KPIs in your delivery plan
DfE Skills Bootcamps	75%
Basic Skills package	In line with the contract and set KPIs in your delivery plan
Employability package	In line with the contract and set KPIs in your delivery plan

- 37.13. Please refer to the [Skills Programme Coding guidance](#) for more information on destination collection.

## Section 11 – Further guidance

### 38. Contacting us

- 38.1. You can contact us through our query mailbox at [skills.programmes@wmca.org.uk](mailto:skills.programmes@wmca.org.uk)
- 38.2. You can also contact your assigned Skills Delivery Officer.
- 38.3. For Multiply and UKSPF queries use mailbox [UKSPF@wmca.org.uk](mailto:UKSPF@wmca.org.uk)
- 38.4. For data queries, You can contact [aebdatareturns@wmca.org.uk](mailto:aebdatareturns@wmca.org.uk)

## Annex A Reference documents

### [Skills Programme Funding rules](#)

[Skills Programme Coding Guidance](#)

[Privacy Notice](#)

[Quality Assurance Framework](#)

[DfE Skills Bootcamps Guidance](#)

[Multiply Guidance](#)

[UK Shared Prosperity Fund Guidance](#)

## Annex B – Summary of main changes since 2022-23

Section	Change
Quality Assurance Framework	<p>Introduction of a Quality Assurance Framework which sets out how WMCA will monitor and grade Quality Assurance for Skills programmes.</p> <ul style="list-style-type: none"> <li>• The purpose of the Quality Assurance Framework is to minimise financial risks across skills programmes and projects within the Economy, Skills, and Communities directorate and to prevent reputational damage.</li> <li>• Quality assurance largely falls into three areas: <ul style="list-style-type: none"> <li>○ Tier 1 compliance reviews</li> <li>○ Tier 2 quality reviews</li> <li>○ Tier 3 external audits</li> </ul> </li> </ul>
Removal of Funding claim submissions	<p>WMCA will no longer issue funding claim submissions to Contract for Service providers in line with the Mid year and End of year claims. Providers will be asked to submit funding forecasts at PMR points and a final funding claim.</p>
Ofsted	<p>Paragraph 30 sets out our requirements and process for Ofsted this includes:.</p> <ul style="list-style-type: none"> <li>• Provider must confirm to the WMCA in writing the outcome of the inspection within 5 working days of receiving the feedback from Ofsted.</li> <li>• Our process for providers who are graded Inadequate in part and/or overall</li> </ul>
UK Shared prosperity fund (UKSPF)	<p>Overview of data requirements and processing in line with the <a href="#">Operational plan</a> for UKSPF.</p> <p>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 <a href="#">Multiply Operational Plan</a></p>



Payment methodology	Change in the payment methodology for Grant providers to a flat profile.												
	WMCA will pay allocations in 12 equal instalments to adult education budget grant funding for the 2023/24 funding year onwards.												
	Monthly profile	8.333%	8.333%	8.333%	8.333%	8.333%	8.333%	8.333%	8.333%	8.333%	8.333%	8.333%	8.333%
Cumulative monthly profile	8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100%	

<b>Issue date;</b>	12/07/2023
<b>Senior policy owner;</b>	Miguel Silva
<b>Document owner;</b>	Joanne Galvin