

North of Tyne Combined Authority (NTCA)

Adult Education Budget (AEB)

Schedule 3 – NTCA Funding & Performance Management Rules

For the 2021-22 funding year  
(1 August 2021 to 31 July 2022)

Of interest to all providers delivering NTCA AEB funded provision

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## Introduction and purpose of the document

- 1 This document sets out the North of Tyne Combined Authority (NTCA) Adult Education Budget (AEB) funding rules for the 2021 to 2022 funding year (1 August 2021 to 31 July 2022). The rules only apply to providers of education and training who receive devolved AEB funding from the NTCA which can only be spent on residents with a NTCA postcode.
- 2 Changes since the publication of NTCA's Funding and Performance Management Rules 2020-21 version 4 (July 2020) can be found in Annex 5.
- 3 NTCA recognise the exceptional, unforeseen circumstances providers have faced during this academic year due to the pandemic. We acknowledge the work and commitment from our provider base, in responding to the impact of COVID-19 and successfully ensuring NTCA residents have been able to access AEB funded provision as much as possible. We have made specific changes to these funding rules to support providers to continue to respond to the impact of the crisis and may publish further updates later in the funding year. For further information on COVID-19 response, please read the guidance on [Maintaining further education provision](#).
- 4 The principle purpose of the NTCA's AEB is to engage adults and provide them with the skills needed for entering and sustaining work, an apprenticeship/traineeship, or other further learning. It provides funding for flexible provision to meet the needs of our residents and businesses and allows us to respond quickly to changes in the labour market and support residents who may need additional support to access learning or employment.
- 5 NTCA's AEB also encompasses a range of statutory entitlements for learners, including the right to fully funded provision for basic English and maths and digital qualifications and, depending on the resident's age and employment status, an entitlement to a first Level 2 and/or Level 3 qualification.
- 6 These rules do not apply to apprenticeships, traineeships, offender learning, advanced learner loans or to education and training services funded by the Education and Skills funding Agency (ESFA).
- 7 Providers must respond to priorities set out in the [NTCA Strategic Skills Plan – Opportunity for All](#).
- 8 **Please note these Funding & Performance Management Rules form part of your contract with NTCA. This applies whether you are in receipt of a Grant Funding Agreement or a Contract for Services.** You must therefore read these rules carefully and ensure that your organisation is familiar with their content. These rules should be read in conjunction with the delivery plan agreed within your Grant Funding Agreement or Contract for Services. You must operate within the terms and conditions set out in these rules. If you do not, you could be in breach of your contract with NTCA and appropriate action may be taken.
- 9 All information, including any hyperlinks, are correct when the NTCA published this document.
- 10 NTCA reserve the right to make changes to these rules. This may be, for example, to ensure the devolved AEB continues to align to the needs of our residents and businesses (as currently set out in the [NTCA Strategic Skills Plan – Opportunity for All](#))

and continues to comply with any requirements set by government. We will notify you of any such changes.

## Understanding the terminology

- 11 Key definitions and a full glossary of terms are included in Annex One.
- 12 The term 'NTCA' refers to the North of Tyne Combined Authority. When NTCA refers to 'you' or 'providers', this includes Colleges, Sixth Form Colleges, Independent Training Providers (ITPs), voluntary community sector providers and Local Authorities who receive funding from us to deliver adult education and training to NTCA residents. The term 'providers' is a generic term which applies regardless of whether your organisation has a Grant Funding Agreement or a Contract for Services.
- 13 In AY 2021-22 the NTCA AEB provision is made up contractually of (i) Grant Funding Agreements and (ii) Contract for Services (these are with procured providers).
- 14 The term 'funding agreement' in these rules can be a Grant Funding Agreement or a Contract for Services.
- 15 NTCA will use the generic term 'you' or 'provider' unless the requirements only apply to a specific provider type or funding agreement.
- 16 We use the terms 'resident' and 'learner' to cover those whose provision is funded by NTCA i.e. those with a postcode in the NTCA area
- 17 We use the term 'provision' or 'learning' or 'learning aims' to refer to NTCA funded AEB, whether it is a regulated qualification, or other learning that is not a regulated qualification.
- 18 If we refer to qualifications, either these will be from the Regulated Qualifications Framework (RQF) or an Access to Higher Education Diploma recognised and regulated by the Quality Assurance Agency (QAA).
- 19 If we refer to 'learning aims', we mean a single episode of learning which could be a regulated qualification, a component of a regulated qualification or non-regulated learning.
- 20 If we refer to 'programmes', we mean a coherent package of learning which may include regulated qualifications, components of regulated qualifications or non-regulated learning with clearly stated aims supporting agreed outcomes.
- 21 We may refer to this document as 'Funding and Performance Management Rules' (FPMR), 'these rules' or 'the funding rules'.

## Contacting us

- 22 You can contact us at [Aeb@northoftyne-ca.gov.uk](mailto:Aeb@northoftyne-ca.gov.uk). You can also contact our AEB Relationship & Contract Manager [wendy.starks@northoftyne-ca.gov.uk](mailto:wendy.starks@northoftyne-ca.gov.uk)

# Section 1 – General Funding Requirements

## Principles of funding

- 23 You must hold evidence to assure us that you are using NTCA AEB funding appropriately. Most evidence will occur naturally from your normal business processes.
- 24 It is a condition of funding that providers have the capacity and capability for accurate data and evidence collection, management and reporting, and must be able to comply with both the NTCA and the Education and Skills Funding Agency (ESFA) submission of data, including, but not limited to, the Individualised Learner Record (ILR) and/or Earnings Adjustment Statement (EAS) and any associated evidence, with prompt changes to learner data e.g. withdrawals from learning.
- 25 The NTCA funding must only be used to fund NTCA residents. Funding cannot be transferred between different budgets, including, where applicable, any funding you receive from the ESFA, other Mayoral Combined Authorities or the Greater London Authority.
- 26 You must complete the resident's Unique Learner Number (ULN) field accurately to access NTCA funding. You must ensure as part of your initial assessment, you check the postcode relates to where the resident will be living for the duration of their training. This should be updated by the resident as part of their initial assessment. See [Postcode checker data set](#).
- 27 The NTCA will continually review and monitor whether the education and training you provide is delivering positive and agreed outcomes as detailed and agreed by NTCA within your AY 2021-22 delivery Plan. The NTCA will also monitor your performance to ensure that the funding you receive from the NTCA is delivering high quality provision for adults within the NTCA area and represents good value for money.
- 28 If we consider that funding is significantly more than the cost of providing education and training, we may reduce your funding after consulting with you. The final decision will rest with NTCA.
- 29 Regular performance monitoring meetings will take place throughout the funding agreement period. The focus of the main discussion will be your progression towards meeting your delivery plan and allocation set out in your monthly payment profile. NTCA will also discuss your overall business performance and your ideas for ensuring financial stability and resilience moving forward.
- 30 If the NTCA considers the delivery is not resulting in positive outcomes for adults in the NTCA area and/or the quality of provision is not to the required standard, the NTCA may (following a discussion with you) reduce your grant allocation or contract value. The final decision here will rest with NTCA. Equally, if you are finding it difficult to deliver your allocation or you have unmet demand, then tell us.

## Who the NTCA will fund:

- 31 On the first day of learning, a resident must be aged 19 or older on 31 August within the 2021 to 2022 funding year and live in a residence with a NTCA postcode. See [Postcode checker data set](#).
- 32 Residents will be eligible for funding for the whole of the learning aim or learning programme if they are eligible for funding at the start, even if the duration is for over one year. You must reassess the resident's eligibility for funding for any further learning they start.
- 33 You must check the eligibility of the learner and their residency ensuring they reside within the local authority districts of Newcastle, North Tyneside and Northumberland at the start of each learning aim and only claim funding for eligible learners unless otherwise agreed in writing with the NTCA. Learner postcodes can be checked for eligibility at the devolution [postcode checker data set](#).

## Cross border learners

- 34 The NTCA recognises that a learner without an eligible NTCA postcode may be unaware of the funding changes due to devolution of the AEB and may wish to undertake learning in the NTCA. In these cases, providers must contact NTCA immediately to discuss if the learner can be supported. NTCA expect these cases to be minimal but will keep this under review and seek feedback from you during the year.
- 35 Providers should not actively engage learners in areas where they do not have a devolved AEB funding award or allocation.

## Learners in the armed forces

- 36 British armed forces personnel, Ministry of Defence personnel or civil and crown servant's resident in England, who meet the criteria in paragraph 31, where learning takes place in England are eligible for NTCA funded AEB.
- 37 British armed forces, Ministry of Defence personnel or civil crown servants on postings outside of the UK, including their family members, are treated as ordinarily resident in the UK, who meet the criteria in paragraph 31, and are eligible for NTCA funded AEB funding.
- 38 Members of other nations' armed forces stationed in England, and their family members, aged 19 and over, are eligible for NTCA funded AEB, set out in paragraph 31, if the armed forces individual has been ordinarily resident in England for the previous 3 years on the first day of learning. We will not fund family members that remain outside of England.

## Learners temporarily outside of England

- 39 Individual residents of the NTCA area who work outside of England as part of their job are eligible for NTCA funded AEB, as long as some of the learning takes place in England. You cannot claim for the additional expense of delivering learning outside of England.

## Residency eligibility

40 Individuals will be eligible for NTCA funded AEB if they meet the criteria in paragraph 31, the learning is taking place in England, and they fulfil the residency requirements set out in one or more of the following categories:

40.1 UK nationals and other persons with right of abode

40.2 UK nationals in the European Economic Area (EEA)

40.3 EEA nationals in the UK

40.4 Other non-UK nationals

## UK nationals and other persons with right of abode

41 Individuals who meet the criteria in paragraph 31 and they:

41.1 are UK nationals or other person with a right of abode<sup>1</sup> in the UK and

41.2 have been ordinarily resident in the UK or British Overseas Territories or Crown Dependencies (Channel Islands and Isle of Man) for at least the previous 3 years on the first day of learning

41.3 The British Overseas Territories are listed in Annex 4

## UK nationals in the EEA

42 Individuals who meet the criteria in paragraph 31 and they:

42.1 are UK nationals and

42.2 are living in the EEA on or before 31 December 2020 and

42.3 have lived in the EEA only or the EEA and UK for at least the previous 3 years on the first day of learning

42.4 have lived continuously in the EEA only and/or the EEA and the UK only between 31 December 2020 and the start of the course

42.5 the course starts before January 2028

42.6 the EEA includes all the countries and territories listed in Annex 4

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<sup>1</sup> Persons with right of abode have the right to live and work in the UK. All British citizens have the right to abode. Further, some Commonwealth citizens have the right of abode.

## EEA nationals in the UK

- 43 Individuals who meet the criteria in paragraph 31, and:
- 43.1 with respect to EEA nationals other than Irish nationals, have obtained either pre-settled or settled status under the EU Settlement Scheme and
  - 43.2 have lived continuously in the EEA, Gibraltar or UK for at least the previous 3 years on the first day of learning
  - 43.3 the EEA includes all the countries and territories listed in Annex 4

## Other non-UK nationals

- 44 Individuals who meet the criteria in paragraph 31, and they fulfil the requirements of one or more of the below set out in paragraphs 44.1, 44.2, and 44.3.
- 44.1 A non-UK national who:
    - 44.1.1 has permission granted by the UK government to live in the UK and such permission is not for educational purposes only, and:
    - 44.1.2 has been ordinarily resident in the UK for at least the previous 3 years on the first day of learning
  - 44.2 A non-UK national who is also a non-EEA national and:
    - 44.2.1 has obtained pre-settled or settled status under the EU Settlement Scheme and
    - 44.2.2 has been ordinarily resident in the UK for at least the previous 3 years on the first day of learning
  - 44.3 An Irish national and:
    - 44.3.1 who is not also a UK national and:
    - 44.3.2 has been ordinarily resident in the UK or Ireland for at least the previous 3 years on the first day of learning

## Family members of UK and EEA nationals

- 45 A 'family member' is the husband, wife, civil partner, child, grandchild, dependent parent or grandparent of a UK or EEA national. A family member is eligible for funding if they:
- 45.1 where required to do so, have obtained pre-settled or settled status under the EU Settlement Scheme and
  - 45.2 have been ordinarily resident in the UK or EEA for at least the previous 3 years on the first day of learning

## Individuals with certain types of immigration status and their family members

- 46 Any individual with any of the statuses listed below is eligible to receive funding and are exempt from the 3-year residency requirement rule:
- 46.1 refugee status
  - 46.2 discretionary leave to enter or remain
  - 46.3 exceptional leave to enter or remain
  - 46.4 indefinite leave to enter or remain
  - 46.5 humanitarian protection
  - 46.6 leave outside the rules
  - 46.7 Afghan Locally Engaged Staff under the intimidation policy
  - 46.8 the husband, wife, civil partner or child of any of the above in paragraphs 46.1 to 46.7
  - 46.9 section 67 of the Immigration Act 2016 leave<sup>2</sup>
  - 46.10 Calais leave to remain<sup>3</sup>
- 47 In relation to the above categories, you must have seen the learner's immigration permission. This would include the biometric residence permit (BRP) and in some cases an accompanying letter from the Home Office.

## Extension for variation of current immigration permission

- 48 Any learner or family member who has applied for an extension or variation of their current immigration permission in the UK is still treated as if they have that leave. This only applies if the application was made before their current permission expired. Their leave continues until the Home Office decide on their immigration application. Their leave will continue where they have appealed or sought an administrative review of their case within the time allowed to them for doing so.
- 49 Therefore, a learner or family member is considered to still have the immigration permission that they held when they made their application for an extension, administrative review or appeal, and their eligibility would be based upon this status.
- 50 You may wish to find information, advice and support on eligibility from the [UK Council for International Student Affairs](#)
- 51 The learner's immigration permission in the UK may have a 'no recourse to public funds'

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<sup>2</sup> A child of a person who has received leave under section 67 of the Immigration Act 2016 will come within paragraph 41.9 where they have been granted "leave in line" by virtue of being a dependent child of such a person.

<sup>3</sup> A child of a person who has received Calais leave to remain will come within paragraph 41.10 where they have been granted "leave in line" by virtue of being a dependent child of such a person.

condition. Public funds do not include education or education funding. Therefore, this does not affect a learner's eligibility, which must be decided under the normal eligibility conditions.

## Children of Turkish workers

- 52 A child of a Turkish worker is eligible if both the following apply:
- 52.1 the Turkish worker is currently ordinarily resident in the UK on or before 31 December 2020 and has Turkish European Community Association Agreement (ECAA) rights or extended ECAA leave and
  - 52.2 the child has been ordinarily resident in the UK, EEA and/or Turkey for at least the previous 3 years on the first day of learning and is resident in the UK on or before 31 December 2020

## Asylum seekers

- 53 Asylum seekers are eligible to receive funding if they:
- 53.1 have lived in the UK for 6 months or longer while their claim is being considered by the Home Office, and no decision on their claim has been made, or
  - 53.2 are receiving local authority support under [section 23C](#) or [section 23CA of the Children Act 1989](#) or the Care Act 2014
- 54 An individual who has been refused asylum will be eligible if:
- 54.1 they have appealed against a decision made by the UK government against granting refugee status and no decision has been made within 6 months of lodging the appeal, or
  - 54.2 they are granted support for themselves under [section 4 of the Immigration and Asylum Act 1999](#), or
  - 54.3 are receiving local authority support for themselves under [section 23C](#) or [section 23CA of the Children Act 1989](#)

## Persons granted stateless leave

- 55 A person granted stateless leave is a person who:
- 55.1 has extant leave to remain as a stateless person under the immigration rules (within the meaning given in [section 33\(1\) of the Immigration Act 1971](#)) and:
  - 55.2 has been ordinarily resident in the UK and Islands throughout the period since the person was granted such leave
- 56 A stateless person must:
- 56.1 be ordinarily resident in the UK on the first day of the first funding year of the course; and
  - 56.2 have been ordinarily resident in the UK and Islands throughout the 3-year period

preceding the first day of the first funding year of the course

- 57 Certain family members are also eligible under this category if:
- 57.1 the spouse or civil partner of a person granted stateless leave (and who was the spouse or civil partner of that person on the leave application date), who is ordinarily resident in the UK on the first day of the first funding year of the course, and who has been ordinarily resident in the UK and Islands throughout the 3 year period preceding the first day of the first funding year of the course; or
  - 57.2 the child of a stateless person or of the stateless person's spouse or civil partner (and who was the child of that stateless person or the child of the stateless person's spouse or civil partner on the leave application date), was under 18 on the leave application date, is ordinarily resident in the UK on the first day of the first funding year of the course, and has been ordinarily resident in the UK and Islands throughout the 3 year period preceding the first day of the first funding year of the course
- 58 "Leave application date" means the date on which a person is granted stateless leave made an application to remain in the UK as a stateless person under the immigration rules (within the meaning given in [section 33\(1\) of the Immigration Act 1971](#))

### Individuals who are not eligible for funding

- 59 You must not claim funding for individuals who do not meet the eligibility criteria set out in paragraphs 39 – 57. Examples of individuals who do not meet the eligibility criteria include the following. Please note this list is not exhaustive:
- 59.1 those who are here without authority or lawful status
  - 59.2 those who are resident in the UK on a student visa unless they are eligible through meeting any other of the categories described above
  - 59.3 those who are in the UK on holiday, with or without a visa
  - 59.4 those who are a family member of a person granted a student visa, who have been given immigration permission to stay in the UK and have not been ordinarily resident in the UK for the previous three years on the first day of learning
  - 59.5 those whose biometric residence permit or residence permit imposes a study prohibition or restriction on the individual

## What the NTCA will fund

- 61 The NTCA will only fund the provision included in your agreed delivery plan and payment profile. You must make sure that learning is eligible for funding before the resident starts. [Find a learning aim](#) contains details of eligible regulated qualifications, qualification components and non-regulated learning aims.
- 62 Any delivery you undertake over and above that which is included in your NTCA delivery plan and payment profile will not be funded, unless agreed in writing beforehand with the NTCA.
- 63 The NTCA may make concessions in the funding rules responding to a specific economic event impacting on residents, e.g. significant restructuring of a large employer leading to residents at risk of redundancy. This will be agreed on a case by case basis.
- 64 Further details of what NTCA funds including legal entitlements, is included in Section 3 of this document.

## What the NTCA will not fund

- 65 The NTCA will not fund learners in residences that do not have an eligible NTCA postcode. They will be funded via the relevant devolved Mayoral Combined Authority, Greater London Authority or ESFA. It is a provider's responsibility to ensure the funding is secured from the relevant funding body in AY 2021-22 for their residents.
- 66 We will not fund:
- 66.1 qualifications, units or learning aims that are not listed on [Find a learning aim](#) or legal entitlement lists, unless agreed as part of your NTCA delivery plan
  - 66.2 provision to learners in custody - [the Ministry of Justice](#) funds prison education in England. Please note you can use your NTCA funded AEB to fund individuals released on temporary licence
  - 66.3 any part of any learner's learning aim or programme that duplicates provision they have received from any other source
  - 66.4 training through NTCA funded AEB, where a learner is undertaking or planning to undertake an apprenticeship and where that training will:
    - 66.4.1 replicate vocational and other learning aims covered by the apprenticeship standard or framework, including English and maths
    - 66.4.2 offer career-related training that conflicts with the apprenticeship aims
    - 66.4.3 be taking place during the apprentices working hours. Where an apprentice has more than one job, working hours refers to the hours of the job the apprenticeship is linked to
  - 66.5 a learner to repeat the same regulated qualification where they have previously achieved it, unless it is for any GCSE where the learner has not achieved grade C, or 4, or higher

- 66.6 a learner to sit or resit a learning aim assessment or examination where no extra learning takes place.

## Fees and charging

- 67 You must not make compulsory charges relating to the direct costs of delivering a learning aim to learners we fully fund, including those with a statutory entitlement to full funding for their learning. Direct costs include any essential activities or materials without which the learner could not complete and achieve their learning.
- 68 If a fully funded learner needs a Disclosure and Barring Service (DBS) check to participate in learning, you cannot charge them for this. If the learning is associated with the learner's employment, their employer is responsible for carrying out and paying for this check.

## Qualifying days for funding

- 69 A learner must be in learning for a minimum number of days between their learning start date and learning planned end date before you can earn funding, including learning support. You can access this information in the ESFA [Adult education budget \(AEB\): funding rates and formula](#)
- 70 This does not apply where the learner achieves the learning aim.

## Recognition of prior learning (RPL)

- 71 A learner could have prior learning or attainment that has been previously accredited by an awarding organisation or could be formally recognised and count towards achievement of a qualification. If this is the case, you must:
- 71.1 reduce the funding amount claimed for the qualification aim by the percentage of learning the learner does not need;
  - 71.2 follow the policies and procedures set by the awarding organisation in regard to recognition of prior learning, including any restrictions concerning where RPL or prior attainment may not be applied; and
  - 71.3 ensure you have a robust internal RPL policy and appropriate resources to deliver RPL
- 72 We would not expect RPL or prior attainment to be used against the whole qualification, this is exemption rather than RPL.
- 73 You must not use prior learning to reduce funding for English and maths qualifications up to and including level 2.
- 74 If a resident enrolls on an Advanced Subsidiary (AS) level qualification followed by an A level, you must reduce the funding claimed for the A level to take account of the prior study of the AS level and record this in the 'Funding adjustment for prior learning' field in the ILR. More information is available in the [ESFA Provider Support Manual for 2021 to 2022](#).

## Breaks in learning

- 75 You and the learner can agree to suspend learning while the learner takes a break from learning. This allows the learner to continue later with the same eligibility that applied when they first started their learning.
- 76 We will not fund a learner during a break in learning.
- 77 You must record the date a learner starts a break in learning and the date they restart their learning in the ILR. Further guidance on recording breaks can be found in the [ILR provider support manual 2021 to 2022](#)
- 78 You must have evidence that the learner agrees to return and continue with the same learning aim; otherwise, you must report the learner as withdrawn. When the learner returns to learning, you must re-plan and extend the remaining delivery as required.
- 79 You must not use a break in learning for short-term absences, such as holidays or short-term illness.

## Response to coronavirus (COVID-19)

- 80 In line with paragraphs 75 to 79, you and the learner can agree to suspend learning to enable the learner to take a break in learning where:
- 80.1 the learner is self-isolating, or caring for others affected by coronavirus (COVID-19) and is unable to continue by distance learning and/or an online offer, or
  - 80.2 you are unable to deliver learning because of the impact of COVID-19 on your business and there is no reasonable way to achieve appropriate delivery by distance learning and/or online learning
- 81 To record breaks in learning for COVID-19 reasons, you must:
- 81.1 include these learners in your ILR submissions record the reason, and retain and submit evidence as set out in paragraphs 77 to 79;
  - 81.2 ensure affected learners are not recorded as permanently withdrawn from their learning, by entering the 'completion status' field of the ILR as '6', denoting that the learner has temporarily withdrawn from learning due to an agreed break in learning as a direct impact of COVID-19 ;
  - 81.3 not change the current planned end date of the learning aim record; and
  - 81.4 agree a new planned end date, when the learner returns, that must be assessed and recorded against the revised learning aim record

## Evidence

- 82 You must hold evidence to assure us that you are using NTCA funded AEB monies appropriately. Most evidence will occur naturally from your normal business processes.
- 83 You must make sure enrolments for ESFA funded AEB, and/or the traineeship programme, support your decision to claim funding and support the individual's case for consideration as ordinarily resident in England, or any exceptions set out in the 'Residency eligibility' section.
- 84 In line with [General Data Protection Regulation](#) (GDPR), you must record in the evidence pack what appropriate documentation you have seen, rather than take photocopies to prove eligibility.

## Evidence Pack

- 85 The evidence pack file must contain evidence to support the funding claimed and must be available to us if we need it.
- 86 Evidence in the evidence pack must assure us that the learner exists.
- 87 The learner must confirm information they provide is correct when it is collected.
- 88 If the time spent in learning is short, the level of evidence in the evidence pack would reflect this. Where you hold information centrally, you only need to refer to the source.
- 89 If applicable, the evidence pack must confirm the following:
  - 89.1 all information reported to us in the ILR and the Earnings Adjustment Statement (EAS), and if it applies, the supporting evidence for the data you report
  - 89.2 your assessment and evidence of eligibility for funding and a record of what evidence the learner has provided
  - 89.3 all initial basic skills and diagnostic assessments
  - 89.4 information on prior learning that affects the learning or the funding of any of the learning aims or programme
  - 89.5 for 'personalised learning programmes', for example, non-regulated learning aims, full details of all the aspects of the learning to be carried out, including supporting evidence of the number of planned hours reported
  - 89.6 a description of how you will deliver the learning and skills and how the learner will achieve
  - 89.7 the supporting evidence about why you have claimed funding and the level of funding for a learner, including details of any learner or employer contribution
  - 89.8 support needs identified, including evidence of how you will meet these needs
  - 89.9 that learning is taking, or has taken place and records are available
  - 89.10 a learner's self-declaration as to what state benefit they claim

- 89.11 a learner's self-declaration on their status relating to gaining a job
- 89.12 all records and evidence of achievement of qualifications and learning aims. This must be available within three months of you reporting it in the ILR.
- 90 Where the learner is unemployed, this must include a record of what you have agreed with them, including the relevance of the learning to their employment prospects and the labour market needs.
- 91 If a subcontractor delivers any provision to the learner, it must clearly identify who it is. This must match the information reported to us in the ILR.

## Confirmation and signatures

- 92 The learner or employer must confirm the information is correct when it is collected. You must have evidence of this, which can include electronic formats.
- 93 We accept electronic evidence, including electronic/digital signatures. Where evidence is electronic, you must have wider systems and processes in place to assure you that learners exist and are eligible for funding.
- 94 Both electronic and digital signatures are acceptable, we do not specify which should be used, only that a secure process to obtain and store signatures is followed.
- 95 An electronic signature is defined as any electronic symbol or process that is associated with any record or document where there is an intention to sign the document by any party involved. An electronic signature can be anything from a check box to a signature.
- 96 A digital signature is where a document with an electronic signature is secured by a process making it non-refutable. It's a digital fingerprint which captures the act of signing by applying security to a document. Usually documents which have a digital signature embedded are extremely secure and cannot be accessed or amended easily.
- 97 Where an electronic or digital signature is being held, from any party for any reason, you must ensure it is non-refutable, this includes the definitions of both wet and dry signatures. Systems and processes must be in place to assure us the original signature has not been altered. Where any document needs to be renewed and a new signature taken, it must be clear from when the new document takes effect, and both must be held.
- 98 You must keep effective and reliable evidence. You are responsible for making the evidence you hold easily available to us when we need it.

## Starting, participating, and achieving

- 99 You can only claim NTCA funded AEB when directly related learning starts. This would not include enrolment, induction, prior assessment, diagnostic testing or similar learning.
- 100 For your direct delivery, and any subcontracted delivery, you and where relevant, your subcontractor(s) must have direct centre approval and where appropriate, direct qualification approval from the respective awarding organisation for the regulated qualifications you are offering.

- 101 Delivery of the qualification (including learner registration with the awarding organisation) for direct delivery and any subcontracted delivery must be in line with the qualification specification and guidance set out by the relevant awarding organisation.
- 102 You must have evidence that the learning took place and the learner was not certificated for prior knowledge.
- 103 Where the learning is certificated, you must follow the relevant awarding organisation's procedure for claiming the relevant certificate(s) and ensure the learner receives them. You must evidence this has happened in the evidence pack.

## Leaving learning

- 104 You must report the learning actual end date in the ILR, for a learner who leaves learning, as the last day that you can evidence, they took part in learning.

## Individualised learner record (ILR)

- 105 You must accurately complete all ILR fields as required in the [2021 to 2022 ILR specification](#), even if they are not required for funding purposes.
- 106 The ILR must accurately reflect the learning and support (where applicable) you have identified, planned and delivered to eligible individuals. You must not report inaccurate information that would result in an inflated claim for funding.
- 107 You must return complete ILR data, including contact details such as telephone numbers, and you must only return 'not knowns' in exceptional circumstances. In particular, you must ensure data for employment status prior to starting, household situation, prior attainment and destination is returned.
- 108 If the information is not provided, or 'not known', or is not available, then you must use 'learner has withheld this information'.
- 109 Where your data does not support the funding you have claimed, we will take action to correct this and we could recover funds that have already been claimed.

## Self-declarations by learners

- 110 All self-declarations must confirm the learner's details and describe what the learner is confirming for requirements set out in this document.
- 111 If a learner self-declares prior attainment, you must check this in the [personal learning record \(PLR\)](#) and query any contradictory information with the learner. The PLR will not necessarily override the learner's self-declaration.

## Match funding

- 112 You must not use the payments that we make as match funding for any ESF projects with any co-financing organisation or Managing Authority direct bids.

## Section 2 – NTCA funded adult education budget (AEB)

### Provision and individuals, we fund

#### Legal Entitlements

- 113 In line with national funding policies, NTCA will align devolved AEB with the current funding eligibilities and rates and continue to deliver the statutory entitlements in line with national funding arrangements and requirements.

NTCA funded AEB includes support for 4 legal entitlements to full funding for eligible adult learners.

These entitlements are set out in the [Apprenticeships, Skills and Children Learning Act 2009](#) and enable eligible learners to be fully funded for the following qualifications:

- English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade 4 (C), or higher, and/or
- first full qualification at level 2 for individuals aged 19 to 23, and/or
- first full qualification at level 3 for individuals aged 19 to 23
- essential digital skills qualifications, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

- 114 If an individual meets the legal entitlement eligibility criteria you must not charge them any course fees.

- 115 Eligible learners exercising their legal entitlement must be enrolled on qualifications from the qualifications that have been approved for funding through the relevant entitlement. For the funding year 2021 to 2022, providers can find the approved qualifications in the [ESFA list of qualifications approved for funding](#) for the following entitlement offers:

115.1 level 2 and level 3 and/or

115.2 English and maths and/or

115.3 essential digital skills qualifications

## Local Flexibility

NTCA funded AEB also supports delivery of flexible tailored provision for adults, including qualifications and components of these and/or non-regulated learning, up to Level 2 – we call this ‘local flexibility’.

Local flexibility provision is either fully or co-funded, depending on the learner’s age, prior attainment and circumstances. Please refer to the ‘AEB Eligibility for Funding Contributions’ table on pages 23 and 24 for learner eligibility.

Where appropriate for the learner, you can deliver local flexibility provision alongside a legal entitlement qualification.

### Local flexibility and legal entitlements

- 117 Learners aged 19-23 progressing towards their first full level 2, must undertake learning at entry and/or level 1 only from [local flexibility](#)
- 118 Learners aged 19 to 23 who progress to their first full Level 2 must only enrol on an approved qualification from the [ESFA list of qualifications approved for funding](#)
- 119 Learners aged 19 to 23 and aged 24 and over, who have already achieved at Level 2 or above, can undertake learning up to and including Level 2 qualifications from the local flexibility offer or qualifications in the Level 2 legal entitlement [Qualifications website](#) or [Find a learning aim](#)
- 120 Learners aged 24 and over who have not achieved a Level 2 qualification can undertake learning up to and including Level 2 qualifications from the local flexibility offer or qualifications in the Level 2 legal entitlement list available on [Qualifications website](#) or [Find a learning aim](#)

## Funding Contributions 19-23-year olds

The level of contribution for NTCA funded AEB is as follows:

Provision	19-23 Funding Contributions	Notes
English and maths, up to and including Level 2	Fully funded	Must be delivered as part of the legal entitlement qualifications
Essential Digital Skills Qualifications up to and including level 1	Fully funded	Must be delivered as part of the Digital legal entitlement qualifications list
First full Level 2 (excluding English & maths and Digital)	Fully funded	First full level 2 must be delivered as part of the legal entitlement qualifications
Learning aims to progress to a full level 2 – up to and including level 1	Fully funded	Must undertake learning at entry and/or level 1 only from <a href="#">local flexibility</a>
Level 3 legal entitlement (learners first full L3)	Fully funded	First full level 3 must be delivered as part of the legal entitlement qualifications
Level 3 adult offer	Fully funded	Learners without a full level 3 or above can access a qualification on the level 3 adult offer qualification list
Level 3 Advanced Learner Loan	Loan funded	A learner has already achieved a full level 3 <a href="#">Advanced learner loans funding rules 2021 to 2022</a>
English for Speakers of Other Languages (ESOL) learning up to and including Level 2	Fully funded	For those learners aged 19-23 eligible through unemployed definition or on a low wage
	Co-funded	For those learners aged 19-23 who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage
Learning aims up to and including Level 2, where the learner <b>has already achieved</b> a first full Level 2, or above  (Must undertake qualifications from the local flexibility offer or qualifications for the level 2 legal entitlement)	Fully funded	For those learners aged 19-23 eligible through unemployed definition or on a low wage
	Co-funded	For those learners aged 19-23 who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage
Learning aims up to and including Level 2, where the learner <b>has not already achieved</b> a first full Level 2, or above  (Must undertake qualifications from the local flexibility offer or qualifications for the level 2 legal entitlement)	Fully funded	For those learners aged 19-23 eligible through unemployed definition or on a low wage
	Co-funded	For those learners aged 19-23 who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage

## Funding Contributions 24+

The level of contribution for NTCA funded AEB is as follows:

Provision	24+ Funding Contributions	Notes
English and maths, up to and including Level 2	Fully funded	Must be delivered as part of the legal entitlement qualifications list
Essential Digital Skills Qualifications up to and including level 1	Fully funded	Must be delivered as part of the Digital legal entitlement qualifications list
Level 2 (excluding English & maths and Digital)	Fully funded	For those learners aged 24+ eligible through unemployed definition or low wage eligibility
	Co-funded	For those learners aged 24+ who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage
Learning aims to progress to level 2	Fully funded	For those learners aged 24+ eligible through unemployed definition or low wage eligibility
	Co-funded	For those learners aged 24+ who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage
Level 3	Loan funded	A learner aged 24+ who has achieved a full level 3 <a href="#">Advanced learner loans funding rules 2021 to 2022</a>
Level 3 adult offer	Fully funded	Learners without a full level 3 or above accessing a qualification on the level 3 adult offer qualification list
English for Speakers of Other Languages (ESOL) learning up to and including Level 2	Fully funded	For those learners aged 24+ eligible through unemployed definition or on a low wage
	Co-funded	For those learners aged 24+ who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage
Learning aims up to and including Level 2, where the learner <b>has already achieved</b> a first full Level 2, or above  (Must undertake qualifications from the local flexibility offer or qualifications for the level 2 legal entitlement)	Fully funded	For those learners aged 24+ eligible through unemployed definition or on a low wage
	Co-funded	For those learners aged 24+ who do not meet the definition of unemployed or do not meet the eligibility criteria for low wage

## Level 3 Adult Offer only

**Please note this section only applies to providers with a Level 3 Adult Offer funding allocation.**

- 121 As part of the Lifetime Skills Guarantee, this targeted Level 3 Adult Offer has been developed to support adults without an existing full Level 3 qualification. In particular, it introduces free fully funded Level 3 qualifications for learners aged 24 and over.
- 122 The offer includes around 400 Level 3 qualifications in 20 different sector subject areas (SSA). NTCA officers, in consultation with providers, will monitor qualifications on the approved list to ensure that they meet the needs of NTCA's growth/recovery sectors for delivery. NTCA are able to submit qualifications for approval to the DfE in line with their qualification approval process.
- 123 The qualifications included in the Level 3 Adult Offer will attract an uplift to enable providers to 'scale up' level 3 delivery within their organisations. The uplift will apply across devolved and non-devolved areas so that funding rates remain consistent for all learners.
- 124 NTCA will fund this offer like we fund other AEB delivery, with the following exceptions:
- 124.1 Learners eligible for this offer can be fully funded; ILR validation rules have been changed to allow this for learners who are not eligible for full funding.
  - 124.2 We will increase the funding rate by £600 for eligible aims in [category code 45](#) National Skills Fund Level 3 Adult Offer rate 1.
  - 124.3 We will increase the funding rate by £150 for eligible aims in [category code 46](#) National Skills Fund Level 3 Adult Offer rate 2.
- 125 Learners aged 19 to 23 taking their first level 3 course, utilising the Level 3 Adult Offer, will be funded through your NTCA Adult Education Budget funding allocation.
- 126 Learners aged 24+ taking their first full level 3 course, utilising the Level 3 Adult Offer, will be funded through your Level 3 Adult Offer Grant Funding agreement allocation.
- 127 You must use the **Learning Delivery Monitoring (LDM) code 378** (Level 3 Adult Offer) and FFI code 1 in the ILR to indicate your learning aims that are eligible within this offer.

## L3 Adult Offer - Learner eligibility

- 128 We will fully fund individuals as part of this offer where they:
- 128.1 are aged 19 on 31 August within the 2020 to 2021 funding year and reside in a residence with a [NTCA postcode](#).
  - 128.2 have not achieved a full level 3 qualification or above, which meet the requirements set out in paragraph 129
  - 128.3 enrol on the Level 3 Adult Offer qualifications approved for funding. [List of Qualifications included in the L3 Adult Offer](#).

## Level 3 attainment

- 129 Level 3 is the level of attainment which is demonstrated by:
- 129.1 General Certificate of Education at the advanced level in 2 subjects
  - 129.2 General Certificate of Education at the AS level in four subjects
  - 129.3 QAA Access to Higher Education (HE) Diploma at level 3
  - 129.4 Technical level, or applied general qualification at level 3, which meets the requirements for the 2018, 2019, 2020, 2021 and 2022 16 to 19 performance tables
  - 129.5 certain Technical level or applied general qualification in the 2017 16 to 19 performance tables

## Level 3 Adult Offer Sub-contracting

- 130 Subcontracting and collaborative partnerships have an important role to play in the delivery of the Level 3 Adult Offer. They allow smaller providers to access funding and to benefit from economies of scale, whilst enabling learners to access provision in locations and via delivery models which best suit their needs.
- 131 NTCA will require providers to outline plans for subcontracting arrangements with a clear rationale demonstrating how it would add value. Providers should also refer to Section 4 of these Funding and Performance Management Rules in relation to monitoring of subcontractors.

## Section 3 - Definitions

### Definitions used by NTCA for the AEB

#### Definition of Full level 2

- 132 Level 2 is the level of attainment which is demonstrated by:
- 132.1 a General Certificate of Secondary Education in five subjects, each at Grade C or above, or Grade 4 or above or
  - 132.2 a Technical Certificate at Level 2 which meets the requirements for the 2018, 2019 and 2020 16 to 19 performance tables
- 133 If a resident aged 19 to 23 has achieved a Level 2 qualification that was, at the time they started, or still is classed as a full Level 2, any subsequent Level 2 qualifications will be co-funded.

#### Definition of Full level 3

- 134 Level 3 is the level of attainment which is demonstrated by a:
- 134.1 General Certificate of Education at the Advanced level in two subjects
  - 134.2 General Certificate of Education at the AS level in four subjects
  - 134.3 QAA Access to Higher Education (HE) Diploma at Level 3
  - 134.4 Tech level or applied general qualification at Level 3, which meets the requirements for the 16 to 19 performance tables
- 135 If a resident aged 19 to 23 has achieved a Level 3 qualification that was at the time they started, or still is, classed as a full Level 3, and wants to enrol on any subsequent Level 3 qualification of any size, they may apply for an Advanced Learner Loan (provided the qualification is designated for funding, and subject to learner eligibility conditions), or pay for their own learning.
- 136 For new linear AS and A levels, where a resident enrolls on an AS qualification and continues with further study to take the A level qualification in the same subject, you must record both the AS and A level in the ESFA ILR. The AS learning aim will be funded separately to the A level learning aim.

## Employed

- 137 For funding purposes, we define a learner as employed if they are in receipt of waged income as either a permanent, temporary (including part time, zero hour and agency contracts) or self-employed worker.
- 138 Providers should ensure that learning for those employed learners is directly relevant to providing new skills to enable them to progress into new or broader job roles leading to a better-paid job.

## Unemployed

- 139 For funding purposes, we define a learner as unemployed if the learner:
- 139.1 receives Jobseeker's Allowance (JSA), including those receiving National Insurance credits only
  - 139.2 receives Employment and Support Allowance (ESA)
  - 139.3 receives Universal Credit, and their take home pay as recorded on their Universal Credit statement (disregarding Universal Credit payments and other benefits) is less than £345 a month (learner is sole adult in their benefit claim) or £552 a month (learner has a joint benefit claim with their partner)
  - 139.4 are released on temporary licence, studying outside a prison environment, and not funded by the Ministry of Justice
- 140 Providers may also use their discretion to fully-fund other learners if either of the following apply. The learner:
- 140.1 receives other state benefits (not listed in paragraph 139) and their take home pay (disregarding Universal Credit and other benefits) is less than £345 a month (learner is sole adult in their benefit claim) or £552 a month (learner has a joint benefit claim with their partner) and
  - 140.2 wants to be employed, or progress into more sustainable employment, and their take home pay (disregarding Universal Credit and other benefits) is less than £345 a month (learner is sole adult in their benefit claim) or £552 a month (learner has a joint benefit claim with their partner), and you are satisfied identified learning is directly relevant to their employment prospects and the local labour market needs.

## Residents in receipt of low wage

- 141 You may fully fund residents who are employed or self-employed and in receipt of a low wage and would normally be co-funded. You must be satisfied the resident meet both of the following criteria:
- 141.1 is eligible for co-funding and
  - 141.2 earns less than the real living wage (£18,525.00 annual gross salary).<sup>4</sup>
- 142 You must have seen evidence of the resident's gross annual wages in these circumstances. This could be a wage slip within three months of the resident's learning start date, bank statement showing the paid amount or a current employment contract which states gross monthly/annual wages. Please note this is not an exhaustive list but must support your decision to award full funding to an individual who would normally be eligible for co-funding.
- 143 You must use DAM codes 023 and 010 and the FFI code 1 to claim full funding for learners who are eligible for the low wage set out in paragraphs 141 and 142.

## Eligible qualifications and programmes

- 144 Where you deliver regulated qualifications and/or their components, you must ensure they are eligible for AEB funding as indicated on [Find a learning aim](#)
- 145 We will fund qualifications that are linked to occupational regulation/licence to practise. You can find more information at the [Qualifications website](#).
- 146 Before delivering a component, you must check with the awarding organisation. They provide a resident registration facility and the resident can achieve it alone or as part of accumulating achievement towards a qualification.
- 147 If the [National Academic Recognition Information Centre](#) has confirmed the authenticity of a qualification gained overseas and confirmed it is comparable/compatible with a regulated qualification in England, currently part of the level 2 and level 3 legal entitlement, the individual will be deemed to have achieved their first level 2 and/or level 3 qualification.
- 148 You must provide accurate unique learner number (ULN) information to awarding organisations and ensure all information you use to register learners for qualifications is correct. You can find more information in the [Learner Records Service](#)

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<sup>4</sup> £18,135.00 annual gross salary is based on the Real Living wage low-pay threshold of £9.50 (hourly rate in April 2021) and on the assumption of a 37.5-hour contract with paid statutory holiday entitlement. This figure will be kept under review in the event that the threshold changes.

## Non-regulated learning

- 149 Where you deliver non-regulated learning, you must ensure it is eligible for funding. Such learning could include:
- 149.1 independent living skills or engagement learning, supporting adults to operate confidently and effectively in life and work
  - 149.2 locally commissioned and/or locally developed basic knowledge and skills needed to access technical qualifications
  - 149.3 employability and labour market re-entry
  - 149.4 locally commissioned and/or locally devised technical education short courses (also known as taster sessions)
  - 149.5 community learning courses
  - 149.6 basic digital skills courses, including where learners are unable to undertake digital skills qualifications specified in the digital entitlement
- 150 The eligibility principles the NTCA applies to non-regulated learning are as follows:
- 150.1 it must not be provision linked to UK visa requirements
  - 150.2 it must not be provision linked to occupational regulation unless there is an agreed concession in place
  - 150.3 it must not be vendor-specific provision, linked to a particular employer or commercial system, unless this has been agreed as a flexibility
  - 150.4 it must not be a non-regulated version of a regulated qualification
  - 150.5 it must not be above notional level 2 (that is, at notional levels 3 or 4). At notional level 2 it must focus on technical provision.
- 151 Where you are delivering non-regulated learning, you must ensure you have appropriate and robust quality assurance processes in place. For instance, 'The Recognising and Recording Progress and Achievement (RARPA) Cycle'. Further [information on RARPA](#) is available from the Learning and Work Institute.
- 152 It is the intention of the NTCA to use the RARPA model to monitor, review and measure the quality and outcomes from non-regulated provision in AY 2021-22. Non-regulated learning should have clear achievement aims for the residents and identified progression outcomes prior to commencement of learning.

## NTCA non-regulated funding flexibilities

153 In response to COVID-19 NTCA introduced two non-regulated funding flexibilities which are designed to engage residents in devolved AEB enrolment opportunities. The purpose of the non-regulated flexibilities is to enable providers to offer informal activities to improve learner confidence, mental health and wellbeing.

154 The non-regulated funding flexibilities are detailed in the tables below

<b>Learning Aim Title: NTCA New Start Activity</b>	
<b>Learning Aim Code: Z0009257</b>	
<b>Funding Rate: £100</b>	
<b>Funding band hours: 2 to 12 hours</b>	
<b>Programme Weighting: A-Base (Unweighted)</b>	
<b>Funding Model:</b>	Adult Skills - 35
Usage:	<p>This learning aim will be valid from 4<sup>th</sup> January 2021 to 31<sup>st</sup> July 2022.</p> <p>Providers must only use this learning aim for new starts from 4<sup>th</sup> January 2021.</p> <p>The learning aim must only be used for one episode of learning.</p> <p>This learning aim can be used for informal learning activity designed to improve learner confidence to start or re-start their learning journey.</p> <p>Providers may use the Recognising and Recording Progress and Achievement (RARPA) model to monitor, review and measure the quality and outcomes from this non-regulated provision. All activity should have clear achievement aims for the resident and identified progression outcomes prior to commencement of learning.</p> <p>Providers must record the destination outcome of the learner in the ILR when they have completed the activity.</p>
DAM code	<b>DAM code 040 must be used</b> to enable NTCA to monitor use of this learning aim in the ILR.

<b>Learning Aim Title: Pre-engagement programme</b>	
<b>Learning Aim Code:</b> Z0009320	
<b>Funding Rate:</b> £300	
<b>Funding band hours:</b> 21 to 44 hours	
<b>Programme Weighting:</b> A-Base (Unweighted)	
<b>Funding Model:</b>	Adult Skills - 35
Usage:	<p>This learning aim will be valid from 1<sup>st</sup> April 2021 to 31<sup>st</sup> July 2022.</p> <p>This learning aim can be used for informal learning activity and/or targeted support to engage residents, improve confidence, mental health and wellbeing. Provision delivered with this aim will address the ongoing impacts and inequalities caused by COVID-19 and will support delivery to smaller class sizes and one to one tuition or support.</p> <p>Providers may use this learning aim for a 'standalone' programme of group activity or extended one to one support.</p> <p><b>Evidence requirements:</b> You must hold evidence to assure us that you are using this learning aim appropriately. Most evidence will occur naturally from your normal business processes.</p> <p><b>Evidence must confirm the following:</b></p> <ul style="list-style-type: none"> <li>• that the learner exists, supporting evidence of all information reported to us in the ILR</li> <li>• full details of all the aspects of the learning to be carried out, including supporting evidence of the number of planned hours</li> </ul> <p>Providers must record the destination outcome of the learner in the ILR when they have completed the activity related to this learning aim.</p>
DAM code	<b>DAM code 040 must be used</b> to enable NTCA to monitor use of this learning aim in the ILR.

## Learning in the workplace

- 155 We will fund learning in the workplace where a learner has a legal entitlement to full funding for:
- 155.1 English and/or maths up to and including level 2; and/or
  - 155.2 a first full level 2 qualification; or
  - 155.3 a first full level 3 qualification;
  - 155.4 essential digital skills qualification, up to and including level 1.
- 156 NTCA will also fund qualifications or learning aims delivered at an employee's workplace in response to a negative economic impact for a specific sector. These qualifications must be agreed as part of the providers delivery plan and payment profile.

## English and maths for those aged 19 or older

- 157 NTCA will fully-fund individuals, including individuals who are employed, aged 19 or older, who have not previously attained a GCSE grade A\* to C or grade 4, or higher, in English and maths, as part of their legal entitlement on the day they start the following qualifications:
- 157.1 GCSE English language or maths;
  - 157.2 Functional Skills English or maths from Entry to level 2;
  - 157.3 stepping-stone qualifications (including components, where applicable) in English or maths approved by the Department for Education (DfE) and ESFA.
- 158 If a resident wants to 'retake' their GCSE English and maths qualification because they did not achieve a grade 4 or higher (C or higher), NTCA will not fund the resident to only resit the exam.
- 159 You must not enrol individuals on qualifications which are not necessary for progressing towards a GCSE or Functional Skill level 2.
- 160 You must not fund an apprentice for English or maths from the NTCA AEB allocation.
- 161 The NTCA will fully-fund non-regulated English and maths learning for residents, including those assessed at pre-entry level, aged 19 years and over with significant learning difficulties or disabilities, as part of a personalised learning programme.
- 162 You must:
- 162.1 carry out a thorough initial assessment to determine an individual's current level using current assessment tools based on the national literacy and numeracy standards and core curriculum;
  - 162.2 carry out an appropriate diagnostic assessment to inform and structure a resident's resident file to use as a basis for a programme of study;

- 162.3 enrol the resident on a level above that at which they were assessed and be able to provide evidence of this;
  - 162.4 deliver ongoing assessment to support learning;
  - 162.5 record the evidence of all assessment outcomes in the evidence pack.
- 163 The assessments must place a resident's current skill levels within the level descriptors used for the [Regulated Qualifications Framework \(RQF\)](#).

### Digital entitlement for those aged 19 or older

- 164 We will fully-fund individuals, including individuals who are employed, aged 19 or older, assessed at below level 1, as part of their legal entitlement on the day they start the following qualifications: [Essential Digital Skills qualification](#) (EDSQ) up to and including level 1).
- 165 We will fully-fund non-regulated learning for learners, including those assessed at pre-entry level with significant learning difficulties and/or disabilities as part of a personalised learning programme, where assessment has identified the learner cannot undertake provision identified in paragraph 141.1.
- 166 You must:
- 166.1 carry out an initial assessment using current assessment tools based on the national standards for essential digital skills;
  - 166.2 carry out an appropriate diagnostic assessment to inform and structure a learner's learner file to use as a basis for a programme of study;
  - 166.3 enrol the learner on a level above that at which they were assessed and be able to provide evidence of this ;
  - 166.4 deliver ongoing assessment to support learning;
  - 166.5 record the evidence of all assessment outcomes in the evidence pack.
- 167 The assessments must place a learner's current skills levels within the level descriptors used for the [Regulated Qualifications Framework \(RQF\)](#).

### Individuals aged 19 to 23 (excluding English, maths and ESOL)

- 168 We will fully-fund 19 to 23-year olds, including individuals who are employed, on the day they start qualifications defined within the legal entitlement that are a resident's:
- 168.1 first full level 2; and/or
  - 168.2 first full level 3.
- 169 We will co-fund provision up to, and including, a level 2 for learners who have already achieved a full level 2, or above, who are employed. The low wage flexibility may apply.

## Individuals aged 24 or older (excluding English, maths and ESOL)

- 170 The NTCA will fully-fund individuals aged 24 or older on the day they start provision up to and including a level 2, if they are unemployed, as set out in paragraphs 139 & 140.
- 171 The NTCA will co-fund all other residents aged 24 years and older for provision up to and including a Level 2. Where residents are employed the low wage flexibility may apply as set out in paragraph 141 & 142.

## English for Speakers of Other Languages (ESOL)

- 172 The NTCA will fully-fund individuals aged 19 and over on the day they start their ESOL learning aim where they are unemployed, as set out in paragraphs 139 & 140.
- 173 The NTCA will co-fund all other individuals aged 19 and over on the day they start their ESOL learning aim. Where residents are employed, the low wage flexibility may apply, refer to paragraph 141 & 142.
- 174 Providers offering ESOL qualifications may need to deliver additional learning to individual residents that incurs additional cost above the qualification rate. You can access information on this in the NTCA Funding Rates and Formula 2021 to 2022.

## Learners with Learning Difficulties and/or Disabilities (LLDD)

- 175 We will fund learners with learning difficulties and/or disabilities as set out in the Apprenticeships, Skills, and Children and Learning Act 2009, section 111.
- 176 This includes learners with an identified learning difficulty and/or disability who have previously had an Education, Health and Care (EHC) plan and have reached the age of 25.
- 177 The young people's funding methodology will apply to learners aged 19 to 24, who have an EHC plan and require provision and support costs.

## Learners with an Education, Health and Care (EHC) plan

- 178 To access provision and support costs you must inform us before the start of the AY 2021-22 funding year where a learner:
- 178.1 has reached the age of 25 and has not completed their programme of learning as set out in their EHC plan by the end of the previous funding year; or
  - 178.2 will reach the age of 25 in the funding year, where their EHC plan is not extended by their local authority to allow them to complete their programme of learning.
- 179 The learner must:
- 179.1 have an EHC plan that confirms their needs could only be met by the training organisation they are, or were, attending;
  - 179.2 continue to make progress on the programme of learning as set out in their EHC plan.

- 180 If a learner has an EHC plan, you must report this in the 'Learner funding and monitoring' fields in the ILR.
- 181 We will not fund learners whose EHC plan is extended by the local authority beyond their 25th birthday. The local authority must continue to provide top-up funding and contract directly with the institution.

## Prince's Trust Team Programme

- 182 The Prince's Trust Team Programme is a 12-week course designed to improve confidence, motivation and skills for eligible 16 to 25-year olds. Each 'team' recruits a mix of 16 to 25-year olds of different abilities and backgrounds, including employees sponsored by their employer. Providers in partnership with the Prince's Trust run and manage it on a local basis.
- 183 In order to deliver the Team programme, you must get approval from the Prince's Trust. For eligible learners aged 19 to 25, NTCA fund the Team programme through the NTCA AEB funding methodology.
- 184 Please also refer to the Prince's Trust section in the 'Adult Education Budget: Funding Rates and Formula 2021 to 2022' guidance.

## Sector-based Work Academy Programme (SWAP)

Please note: SWAP provision **forms part of AEB funding allocations** and is not additional to providers AEB funding allocations in AY 2021-22.

- 185 The [sector-based work academy programme](#) is designed to help Jobcentre Plus claimants build confidence to improve their job prospects and enhance their CV, whilst helping employers in sectors with current local vacancies to fill them.
- 186 Sector-based Academy Work Programmes can last up to 6 weeks and have 3 main components:
- 186.1 pre-employment training that is relevant to the needs of the business and sector;
  - 186.2 a work experience placement, of benefit to both the individual and business; and
  - 186.3 a guaranteed job interview linked to the employer vacancy.
- 187 Participants remain on benefits throughout their placement. Only the pre-employment training element in can be funded through AEB, and normally lasts 2-3 weeks.
- 188 Jobcentre Plus fund the other components and will pay any travel and childcare costs whilst claimants are on the work experience placement.
- 189 Sector-based Work Academy Programmes can operate in all sectors (not just those in growth) – as long as vacancies in sectors relating to the pre-employment training are available in that locality.
- 190 Participants must be aged 18+, placements are particularly useful for young people but are open to all jobseekers aged 18 upwards.

## SWAP pre-employment training (fully funded for unemployed learners)

- 191 You must plan to deliver both the pre-employment training and a work experience placement aligned to a guaranteed job interview with a named employer with a written agreement in place with Jobcentre Plus in order to claim a Sector-based Work Academy Programme outcome.
- 192 If pre-employment training leads to a qualification, you must offer the qualification from an Ofqual-regulated awarding organisation.
- 193 Pre-employment training must focus on activities that will help progression to an apprenticeship and/or sustainable employment. Addressing the employability needs of the Learner could include writing CVs, preparing for interviews, searching for jobs and developing interpersonal and communication skills.
- 194 You can offer activities, including appropriate technical qualifications and skills required by the local labour market, that will help the Learner move into work or remove a barrier to them entering work.
- 195 To claim full funding for claimants referred to Sector-based Work Academy Programme pre-employment training, you must use LDM code 375 and complete the Benefit Status Indicator (BSI) to identify the claimant is in receipt of Jobseeker's Allowance (BSI 1), Universal Credit (BSI 4), or Employment and Support Allowance (all categories) (BSI 5).

## SWAP Work Placement

- 196 A work experience placement in a business will enable participants to develop their skills and have the opportunity to work in a realistic environment.
- 197 The main principle to supporting participants during the placement should be to treat them as regular employees as far as possible whilst they remain on benefits, but also recognising that they may initially need additional coaching and supervision from the employer, their Jobcentre Plus Work Coach and the training Provider.
- 198 In preparing learners for the work experience placement, providers will be expected to cover the following areas:
  - 198.1 explain what learners need to do on their work experience placement;
  - 198.2 provide an overview of the business, including its values and culture, for induction purposes;
  - 198.3 explain standard workplace practices such as security procedures, dress code, sick leave and absences and break times; and
  - 198.4 Confirm times and days agreed for the learner to undertake the work experience placement.

## SWAP guaranteed job interview

- 199 A guaranteed job interview is a fundamental expectation of the programme to be agreed with the employer at the outset of the programme. This will provide participants with valuable interview experience.
- 200 There must always be a clear route to a job vacancy. There does not have to be a job vacancy for every participant on the programme, but there must be a realistic chance of participants getting a job. The participant is offered a guaranteed job interview but not a guarantee of a job.

## Job outcome payments (All qualifications and programmes)

- 201 For fully funded learners who are unemployed, we will pay 50% of the achievement payment if they start a job before achieving the learning aim. If the learner then achieves the learning aim, we will pay the remaining achievement payment. The following conditions apply:
- 201.1 the learner must provide you with evidence through a declaration, that they have a job for at least 16 hours or more a week for four consecutive weeks;
  - 201.2 where the learner was claiming benefits relating to unemployment, they must also declare that they have stopped claiming these.

## Section 4 – Support Funding

### Learning Support

#### NTCA extension of learning support across all providers

- 202 NTCA have made use of the flexibilities afforded by devolution of AEB in relation to supporting providers with the impact of the COVID-19 crisis. During AY 2021-22 we are extending the use of learning support allocations across all providers. Previously only providers with grant funding agreements had an allocation for learning support, which was based on 'historical' delivery through the ESFA.
- 203 We are extending learning support allocations to procured Contract for Service providers, enabling them to utilise up to 5% of their existing allocations for learning support. We also propose to enable providers with grant funding allocations to increase 'historical' learning support expenditure in direct response to the pandemic.
- 204 The COVID-19 crisis has highlighted inequalities across our region with our most disadvantaged residents being impacted more severely in terms of health, access to jobs, services or education and training. Learning support allocations are designed to specifically address this disadvantage and remove barriers to learning.

#### Learning Support Evidence Requirements

- 205 Learning support must not be used to deal with everyday difficulties that are not directly associated with a resident's learning on their programme.
- 206 You must:
- 206.1 carry out a thorough assessment to identify the support the resident needs;
  - 206.2 agree and record the outcome of your assessment in the resident file;
  - 206.3 record all outcomes on the resident file and keep all evidence of the assessment of the needs, planned and actual delivery;
  - 206.4 report in the ESFA ILR that a NTCA resident has a learning support need associated with an identified learning aim, by entering code LSF1 in the 'Learning Delivery Funding and Monitoring' field and entering the corresponding dates in the 'Date applies from' and 'Date applies to' fields.
- 207 You can claim learning support at a fixed monthly rate if you report it in the ILR. You must use the NTCA Earnings Adjustment Statement (EAS) if your costs exceed this monthly rate and you must keep evidence of these costs.
- 208 You can claim learning support funding if learning continues past the planned end date and the learner needs continued support.

## Exceptional learning support claims above £19,000

- 209 If a learner needs significant levels of support to start or continue learning and has support costs of more than £19,000 in a funding year, you can claim Exceptional Learning Support (ELS).
- 210 Learners aged 19 to 24 who require significant levels of support should have an EHC plan provided by their local authority and therefore would access funding from their local authority.
- 211 To claim ELS for a learner aged 19 to 24 you must confirm why the individual does not have an EHC plan. This should be a letter or email from the learner's local authority stating the reasons(s) why the individual does not need an EHC plan.
- 212 When you claim ELS you must explain why you have claimed the amount you have, which would be linked to the learner's assessment and planned learning support claim. You must only claim amounts for your costs of providing the support to the learner and not include any indirect costs or overheads.

## Learner support (Grant Funding Agreements)

- 213 Learner support is available to providers with Grant Funding Agreements to provide financial support for learners with a specific financial hardship preventing them from taking part / continuing in learning. Before you award support to a learner, you must identify their needs within the following 'categories'.
  - 213.1 Hardship funding – general financial support for vulnerable and financially disadvantaged learners to support participation.
  - 213.2 20+ childcare funding – for learners aged 20 or older on the first day of learning who are at risk of not starting or continuing learning because of childcare costs.
- 214 You must not claim more than 5% of your total Learner Support final claim as administration expenditure.
- 215 You must document your process for managing your administration costs over the current funding year and record, report and retain evidence on spending for each of the categories.
- 216 You must:
  - 216.1 have criteria for how you will administer and distribute your funds; these must reflect the principles of equality and diversity and be available to learners and to us on request;
  - 216.2 assess and record the learner's needs, demonstrating the need for support;
  - 216.3 report the appropriate Learner Support Reason codes in the 'Learner Funding and Monitoring' fields in the ILR;
  - 216.4 complete a mid-year funding forecast and a final claim;
  - 216.5 take into account the availability of other support for learners, for example from Jobcentre Plus;

- 216.6 make it clear to learners it is their responsibility to tell the Department for Work and Pensions (DWP) about any learner support they are receiving from you, as learner support payments may affect their eligibility to state benefits.
- 217 You must not use learner support funds for any of the following:
- 217.1 essential equipment or facilities if the learner is eligible to full funding. However, these learners can get support funding for childcare, transport and residential costs;
  - 217.2 a learner in custody;
  - 217.3 a learner carrying out a higher education course or learning aims fully funded from other sources;
  - 217.4 to pay weekly attendance allowances or achievement and attendance bonuses.

## Hardship

- 218 You can use hardship funds for the following:
- 218.1 course-related costs, including course trips, books and equipment (where costs are not included in the funding rate), domestic emergencies and emergency accommodation;
  - 218.2 transport costs (but not make a block contribution to post-16 transport partnerships or routinely funded transport costs covered in the local authority's legal duty for learners of sixth-form age);
  - 218.3 examination fees;
  - 218.4 accreditation fees, professional membership fees and any fees or charges due to external bodies;
  - 218.5 your registration fees.
- 219 In exceptional circumstances, you can use hardship funds to assist with course fees for learners who need financial support to start or stay in learning.
- 220 If an asylum seeker is eligible for provision, you may provide learner support in the form of course-related books, equipment or a travel pass. You must not give a learner who is an asylum seeker support in the form of cash.

## 20+ childcare

- 221 You can only use childcare funding to pay for childcare with a childminder, provider or childminder agency, registered with Ofsted.
- 222 You must not use childcare funding to:
- 222.1 fund informal childcare, such as that provided by a relative;
  - 222.2 set up childcare places or to make a financial contribution to the costs of a crèche;

222.3 fund childcare for learners aged under 20 on the first day of learning; instead you must direct them to the 'Care to Learn' programme.

223 You must not use childcare for those aged 20 years or older to top up childcare payments for those receiving 'Care to Learn' payments.

## Section 5 - Community Learning

This section only applies to providers with non-formula funded community learning allocation

224 The purpose of Community Learning is to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to:

224.1 progress towards formal learning or employment and/or

224.2 improve their health and well-being, including mental health and/or

224.3 develop stronger communities

225 Community Learning Courses are delivered and reported on the ILR under the following four delivery strands:

225.1 Personal and Community Development Learning - learning for personal and community development, cultural enrichment, intellectual or creative stimulation and for enjoyment (in most cases not leading to a formal qualification).

225.2 'Family English, Maths and Language' - learning to improve the English, language and maths skills of parents, carers or guardians and their ability to help their children.

225.3 Wider Family Learning - learning to help different generations of family members to learn together how to support their children's learning.

225.4 Neighbourhood Learning in Deprived Communities - supports local voluntary and other third sector organisations to develop their capacity to deliver learning opportunities for the residents of disadvantaged neighbourhoods.

226 Please note, non-formula Community Learning funding follows funding model 10.

### Non-formula Community Learning funding

227 Where applicable, AEB Grant allocations could include an amount of non-formula community learning funding. NTCA state this value in your NTCA Delivery Plan and Payment Profile.

228 Non-formula community learning funding is paid on a monthly payment profile. You must 'attribute costs' for eligible residents, up to the value of your non-formula community learning allocation. This should include the cost of delivering learning and any support costs, in line with learning support, paragraphs 207 to 214. You must record these costs in the resident's learning plan.

229 If NTCA fund you through a Grant you have the flexibility to use all, or some, of your

non-formula community learning funding in line with the AEB formula-funded methodology (funding model 35), to meet local demand.

- 230 If you use all, or some of your non-formula community learning funding to deliver formula funded non-regulated provision that may be similar to community learning, you must:
- 230.1 follow the NTCA funded AEB formula-funded methodology and submit ILR data under funding model 35
  - 230.2 enrol residents following NTCA funded AEB eligibility requirements, you must not use your non-formula community learning local fee remission policy
- 231 You must not use non-formula community learning funding for learning that is eligible for funding through an advanced resident loan.

### Local fee remission policy

- 232 You must have in place and operate a fair and transparent community learning local fee remission policy that requires individuals to pay a course / tuition / joining fee, but also sets out clear eligibility criteria for those individuals who, due to their circumstances, qualify for either partial or total fee remission.
- 233 Your local fee remission policies must be available on your website and/or in the venues you deliver community learning to eligible residents.

### Partnership working

- 234 Partnership working underpins the community learning objectives and is critical to developing and delivering an effective community learning offer in a given locality.
- 235 You must engage and work closely with a wide range of relevant partners and stakeholders in your local area to help shape your community learning offer to engage specific groups. These could include specialist partners, such as health, Jobcentre Plus and schools and voluntary and community sector (VCS) organisations.
- 236 NTCA expect you to work with other providers in your local area who may be in receipt of non-formula community funding. NTCA expect you to develop a strategic, efficient community learning offer to reduce duplication of courses in a locality and signpost residents to other partners as and when appropriate.
- 237 NTCA will work with providers to ensure the appropriate balance of investment occurs between economic skills development and social value.

## Section 6 – Subcontracting

### Subcontracting overview

- 238 Your governing body or board of directors (or equivalent) and your accounting officer (senior responsible person) must be satisfied that all your delivery subcontracting meets your strategic aims and enhances the quality of your learner offer. You must set out the reasons for subcontracting in your published supply chain fees and charges policy to reflect your strategic aims. You must be able to evidence this through means such as minutes of meetings and written sign-off.
- 239 Your subcontractor(s) do not need to register with the NTCA, however, we expect full due diligence checks to be undertaken by you, and all subcontracted provision to be declared to the NTCA for agreement prior to the commencement of any learning by the Subcontractor.
- 240 Subcontracts of all values will be declared and published once agreed by the NTCA. If your organisation does not apply a rigorous subcontracting due diligence process, we will review your funding arrangements and may limit your ability to subcontract provision.
- 241 You must not subcontract to meet short-term funding objectives.
- 242 You must only use delivery subcontractors:
- 242.1 if you have the knowledge, skills and experience within your organisation to successfully procure, contract with and manage those subcontractors and can evidence this with the CVs of relevant staff
  - 242.2 who your governing body/board of directors (or equivalent) and your accounting officer (senior responsible person) determine as being of high quality and low risk and provide written confirmation evidence
  - 242.3 if you have robust procedures to ensure subcontracting does not lead to the inadvertent funding of extremist organisations
  - 242.4 you are responsible for all the actions of your delivery subcontractors connected to, or arising out of, the delivery of the services which you subcontract.
- 243 All subcontracted Providers must have a valid UKPRN number.

### Selection and procurement

- 244 You must get our written approval before awarding a subcontract to a delivery subcontractor and keep evidence of this. We may place restrictions on your future use of AEB delivery subcontractors if approval is not sought and agreed prior to delivery taking place.
- 245 When appointing delivery subcontractors, you must avoid conflicts of interest and you must write to us about any circumstances (for example, where you and your proposed subcontractor have common directors or ownership) which might lead to an actual or perceived conflict of interest.

- 246 You must carry out your own due diligence checks when appointing delivery Subcontractors and have both the process and the results available for inspection by us.
- 247 You must ensure any delivery subcontractor you appoint continues to meet the requirements of your due diligence procedures and that you provide them with all the necessary support.
- 248 You must make sure that learners supported through subcontracting arrangements know about you and your delivery subcontractor's roles and responsibilities in providing the learning.
- 249 Terms that you must include in contracts with delivery subcontractors. You must make sure your delivery subcontractors:
  - 249.1 meet the requirements set out in these funding rules
  - 249.2 provide you with ILR data so your data returns to us accurately reflect your subcontractor's delivery information
  - 249.3 give us, and any other person nominated by us, access to their premises and all documents relating to the NTCA AEB funded provision
  - 249.4 always have suitably qualified staff available to provide the education and training we fund through the AEB
  - 249.5 co-operate with you to make sure there is continuity of learning if the subcontract ends for any reason
  - 249.6 tell you if evidence of any irregular financial or delivery activity arise.

## Monitoring

- 250 You must manage and monitor all of your delivery subcontractors to ensure that high-quality delivery is taking place that meets our funding rules.
- 251 You must carry out a regular and substantial programme of quality-assurance checks on the education and training provided by delivery subcontractors, including visits at short notice and face-to-face interviews with staff and learners. The programme must:
- 251.1 include whether the learners exist and are eligible
  - 251.2 involve direct observation of initial guidance, assessment, and delivery of learning programmes.
- 252 The findings of your assurance checks must be consistent with your expectations and the delivery subcontractor's records.
- 253 You must also tell us the actual level of funding paid and retained for each of your delivery subcontractors in AY 2021-2022. You must supply this information as part of your delivery plan and payment profile. We may publish the information on the NTCA website at our discretion.

## Second-level subcontracting

- 254 You must not agree the use of any delivery subcontractor where this would require you to subcontract education and training to a second level. All of your delivery subcontractors must be contracted directly by you.

## Subcontracting and consortia

- 255 As part of agreeing your NTCA Delivery Plan and in advance of Contract/Grant start date, you will have provided information on the use of subcontractors through a subcontractor declaration.
- 256 We understand that business changes and that there may be cases where you want to take on new delivery partners in year and we would expect to see a clear rationale for this decision. We would want to understand particularly how this provision would enhance the offer to residents and see alignment to the NTCA priorities.
- 257 Any proposals to use new subcontractors need to be approved by the NTCA through a business case prior to any new starts with the subcontractor.

## Annex 1: Glossary

Name	Description
20+ childcare	A category of resident support to assist residents aged over the age of 20 who are at risk of not starting learning or leaving learning due to issues in obtaining childcare.
Adult funding methodology	The funding methodology for individuals aged 19 and over, participating in AEB learning. You can access <a href="#">adult funding methodology</a> on the GOV.UK
Advanced resident loan	Advanced resident loans are available for individuals aged 19 or above to undertake approved qualifications at levels 3 to level 6, at an approved provider in England. Advanced resident loans give individuals access to financial support for tuition costs similar to that available in higher education and is administered by Student Finance England.
Academic Year (AY)	The academic year is from the 1 <sup>st</sup> August to 31 <sup>st</sup> July
Break in learning	When a resident is not continuing with their learning but has told you beforehand that they intend to resume their learning in the future.
Care to learn	A Department for Education scheme to assist young parents under the age of 20 with the childcare costs that may form a barrier to them continuing in education.
Continuers	Residents who commenced learning in a previous funding year
Community Learning	Helps people of different ages and backgrounds gain a new skill, reconnect with learning, pursue an interest, and learn how to support their children better, or prepare for progression to more formal courses / employment.
Components of regulated qualification	A subset of a qualification, which could be a unit.
Contract for Services	Any call-off contract/s for services awarded to a provider who, following a procurement process, has been appointed to NTCA's adult education framework for services
Delivery Plan (NTCA)	All providers intending to deliver AEB to NTCA residents are required to submit a Delivery Plan to NTCA. This plan allows NTCA to appraise the provider in terms of suitability to deliver to NTCA residents.

Name	Description
Digital Entitlement	The study of Essential Digital Skills qualifications for learners who have digital skills assessed at below level 1. Qualifications that are designated up to and including level 1 are: Essential Digital Skills Qualifications.
Direct costs of learning	Any costs for items without which it would be impossible for the resident to complete their learning aim. This can include the costs of registration, examination or any other activities or materials without which the resident cannot achieve their programme of study.
Earnings adjustment statement (EAS)	The form providers need to fill in to claim funding for NTCA residents that cannot be claimed through the Individualised Resident Record.
Education Health and Care (EHC) plan	An EHC plan replaces statements of special educational needs and learning difficulty assessments for children and young people with special educational needs. The Local Authority has the legal duty to 'secure' the educational provision specified in the EHC plan, that is, to ensure that the provision is delivered.
European Economic Area (EEA)	The European Economic Area, abbreviated as EEA, consists of the Member States of the European Union (EU) and 3 countries of the European Free Trade Association (EFTA) (Iceland, Liechtenstein and Norway; excluding Switzerland). The Agreement on the EEA entered into force on 1 January 1994. Please refer to Annex 4 for more information.
English for Speakers of Other Languages (ESOL)	The study of English by speakers of other languages.
European Social Fund (ESF)	The ESF is a structural fund from the European Union. It improves the skills of the workforce and helps people who have difficulties finding work. The NTCA is a co-financing organisation for the ESF.
Evidence pack	A collection of documents and information brought together to form a single point of reference relating to learning that is taking place. This must provide evidence to prove the learner exists, is eligible for funding, the planned learning to be provided, and that learning has been delivered.
Exceptional Learning Support (ELS)	Learning support funding to meet the costs of putting in place a reasonable adjustment for a resident who requires more than £19,000 in a funding year.
Find a learning aim	<a href="#">Find a learning aim</a> provides online services where can search all learning aims, components of qualifications, apprenticeship frameworks and standards along with their validity and funding details.

Name	Description
Full Level 2	<p>The following qualifications are designated full at level 2:</p> <ul style="list-style-type: none"> <li>• a General Certificate of Secondary Education in five subjects, each at grade C or above, or grade 4 or above</li> <li>• a Technical Certificate at level 2 which meets the requirements for 2019 to 2020 16 to 19 performance tables</li> </ul>
Full Level 3	<p>The following qualifications are designated full at level 3:</p> <ul style="list-style-type: none"> <li>• a General Certificate of Education at the advanced level in two subjects</li> <li>• a General Certificate of Education at the AS level in four subjects</li> <li>• a QAA Access to Higher Education (HE) Diploma at level 3</li> <li>• a Tech level; or applied general qualification at level 3 which meets the requirements for 2019 16 to 19 performance tables</li> </ul>
Full or co-funding indicator	Indicates whether a learning aim is fully funded or co-funded in Adult Skills or Other Adult Funding.
Functional skills	Applied practical skills in English, maths and ICT that provide the resident with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work.
Funding agreement	The agreement between NTCA and providers who receive funding for education and skills training. This can be a Grant Funding Agreement or a Contract for Services.
Funding year	The NTCA adult funding system operates on a funding year basis, which starts on 1 August and finishes on 31 July.
Grant Funding Agreement	The funding agreement in place between NTCA and an organisation who are in receipt of funding from NTCA to deliver AEB provision ( <b>Note</b> - this is different from a Contract for Services)

Name	Description
Guided learning	As defined by Ofqual: “The activity of the resident in being taught or instructed by – otherwise participating in education or training under the immediate guidance or supervision or – a lecturer, supervisor, tutor or other appropriate provider of education or training. For these purposes the activity of ‘participating in education and training’ shall be treated as including the activity of being assessed if the assessment takes place under the immediate guidance or supervision of a lecturer, supervisor, tutor or other appropriate provider of education or training.”
Hardship	Within resident support, a category of support to assist vulnerable and disadvantaged residents to remove barriers to education and training.
Find a learning aim	<a href="#">Find a learning aim</a> provides online services where can search all learning aims, components of qualifications, apprenticeship frameworks and standards along with their validity and funding details.
Individualised resident Record (ILR)	The primary data collection requested from learning providers for further education and work-based learning in England. Government uses this data to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education. In 2020/2021, NTCA will continue to utilise the ESFA ILR to record all outputs for NTCA residents. All providers delivering NTCA AEB must complete all relevant ILR details and send this to the ESFA. The ESFA will then validate the provider’s data and forward NTCA the ILR for NTCA residents.
Job outcome payments	Payments made for residents who are unemployed at the start of learning who cease learning to take up a job
Learning support	Funding to enable providers to put in place a reasonable adjustment, set out in the Equality Act 2010, for residents with an identified learning difficulty and/or disability to achieve their learning goal.
Learning or learning aims	Refers to all adult learning that the NTCA funds, whether it is a regulated qualification or other learning.
Learning aim reference number	The unique eight-digit code used to identify a specific learning aim.
Learning planned end date	The date entered onto the individualised resident record (ILR) when the resident is expected to complete their learning.

Name	Description
Local flexibility	Regulated qualifications, and/or their components, and non-regulated learning that the NTCA funds, that is not part of the English and maths, or level 2 or level 3, legal entitlement offer. All regulated and non-regulated learning that is available for funding through the flexible local offer is listed on <a href="#">Find a learning aim</a>
Non-regulated learning	Learning which is not subject to awarding organisation external accreditation in the form of a regulated qualification. It may be designed, delivered and certificated by a provider or another organisation. This could include: <ul style="list-style-type: none"> <li>• independent living skills and engagement learning</li> <li>• employability and work skills</li> <li>• labour market re-entry</li> <li>• technical education tasters</li> <li>• community learning</li> </ul>
NTCA	North of Tyne Combined Authority
Ofqual	The Office of Qualifications and Examinations Regulation, which regulates qualifications, examinations and assessments in England.
Personal Learning Record (PLR)	An ESFA database that allows individual residents access to their past and current achievement records. These can be shared with schools, colleges, further education training providers, universities or employers.
Performance Management Framework (PMF)	Performance and management framework detailing how providers will be managed and monitored from both a range of perspectives including quality performance (direct and subcontracted delivery) and earnings against profile.
Performance Management Points (NTCA)	Key points during the funding agreement when NTCA will review earnings against profile and apply a specification as detailed in this policy to ascertain if the provider is under/over performing against their NTCA allocation.
Programmes	A coherent package of adult learning which may include regulated qualifications, components of regulated qualifications or non-regulated learning with clearly stated aims supporting agreed outcomes
'Provision' or 'learning' or 'learning aims'	Refers to all adult learning that the NTCA funds, whether it is a regulated qualification or other learning.

Name	Description
Recognising and Recording Progress and Achievement (RARPA)	The Learning and Work Institute have undertaken a consultation on the RARPA Cycle and have published <a href="#">updated RARPA Guidance</a> . This comprises a clear framework designed to support residents through the learning process, identifying key outcomes. It provides a robust approach to quality control and improvement of nonregulated provision with a focus on self-assessment that supports standards acceptable to the Office of Standards in Education (Ofsted). You can access further information from <a href="#">The Learning and Work Institute</a> .
Recognition of Prior Learning (RPL)	An assessment method that considers whether a resident can demonstrate that they can: meet the outcomes for a qualification or a component of a qualification through knowledge, understanding; or, skills they already have and so do not need to undertake a course of learning for that component or qualification.
Resident support	Funding to enable providers to support residents with a specific financial hardship that might prevent them from being able to start or complete their learning.
Relationship and Contract Manager	Every provider approved to deliver AEB to NTCA residents is assigned a Relationship and Contract Manager to support the provider to monitor the quality of delivery and performance against allocation and the funding agreement.
Resident and 'resident'	To cover those whose provision is funded by the NTCA.
Residential	Support provided under resident support to residents receiving specialist provision, which involves a residential element, or to support residents who cannot receive provision locally.
Regulated Qualifications Framework	The RQF provides a way of understanding and describing the relative level and size of qualifications. The RQF, operated by Ofqual, is a single regulatory framework containing a range of general, technical and professional qualifications.
Senior responsible person	For example, chief executive, managing director, principal or their equivalent.
Self-declaration	A process where the resident can confirm something through his or her own signature.
Start of learning	The date on which learning begins. NTCA do not consider enrolment, induction, diagnostic assessment or prior assessment to be part of learning.

Name	Description
State benefits	State benefits are contributions, both financial and non-financial, made by central and local Government to individuals in certain circumstances to meet their day-to-day living needs.
Statutory entitlement	<p>The <a href="#">statutory entitlement to education and training</a> allows residents to be fully funded who are aged:</p> <ul style="list-style-type: none"> <li>• 19 and over, who have not achieved a Grade A*-C, grade 4, or higher, and study for a qualification in English or maths up to and including level 2, and/or</li> <li>• 19 to 23, if they study for a first qualification at level 2 and/or level 3</li> </ul>
Subcontractor	<p>A separate legal entity that has an agreement with you to deliver any element of the education and training NTCA fund. A separate legal entity includes companies in your group, other associated companies and sole traders. It also includes individuals who are self-employed or supplied by an employment agency, unless those individuals are working under your direction and control, in the same way as your own employees. The term subcontractor will also apply to any partnership work you have where your staff and/or provision is managed by another partner/institution. The NTCA will consider this a type of subcontracting arrangement, and as such, will require all relevant detail on your NTCA Delivery Plan for approval and review at relevant Performance Meetings. This arrangement must also be identified in the ILR using the Partner UKPRN Field</p>
Submit Learner Data	<p><a href="#">Submit Learner Data</a> is the online portal for providers to submit ILR data to the ESFA.</p>
UK Provider Reference Number	<p>A unique identifying number given to all providers by the UK register of learning providers.</p>
Unique resident number	<p>A 10-digit number used to match a resident's achievement to their personal learning record (PLR).</p>
Young people's funding methodology	<p>The ESFA's funding methodology for individuals aged 16 to 19 (and those aged 19 to 24 with an Education Health and Care plan). You can access the <a href="#">young people's funding methodology</a> on the GOV.UK Website.</p>

## Annex 2 - Data submissions

- 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 NTCA and the ESFA submission of data, including, but not limited to, the Individualised Learner Record (ILR) and/or Earnings Adjustment Statement (EAS) and any associated evidence, with prompt changes to learner data e.g. withdrawals from learning.
- 2 Providers must ensure that all documentation relating to the enrolment of NTCA residents and the record of learning activity is completed accurately. ILR data submitted for NTCA residents will continue to be sent to the ESFA through [Submit Learner Data](#).
- 3 ILR files will be validated at the point of transmission against both definitions 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 NTCA is accurate and complete as the basis for payment.
- 4 As part of our assurance work, the NTCA will be monitoring the data you submit to the ESFA from the ILR and the EAS. The NTCA will carry out regular desktop reviews of how the national funding system and the NTCA funding rules are operating, allowing us to identify possible errors in the devolved AEB funding claimed for NTCA residents by providers, which might require further investigation.
- 5 To provide further assurance, the NTCA will use the services of the ESFA and/or other appointed 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. Additional detail is provided in Schedule 5 of the Grant Funding Agreement and Contract for Services.
- 6 In addition, NTCA will expect providers to regularly review their software systems and processes to check for data accuracy. For AY 2021-22 you will continue to be able to access the ESFA systems, these are: the [Funding Information System \(FIS\)](#); [Find a learning aim](#) Individual Learner Record Reports; and the [Provider Data Self-Assessment Toolkit \(PDSAT\)](#).

### Individual Learner Record (ILR)

- 7 You should also refer to the ESFA ILR specification and provider manual for AY 2021-2022, and any other relevant documents referred to in those documents.
- 8 As a provider delivering provision to NTCA residents, you will be required to complete the ILR in the AY 2021-22. The ESFA will continue to hold ILR data in a single national data set.
- 9 Providers must upload its ILR data via the ESFA and cannot submit the data directly to the NTCA.
- 10 Providers should refer to the [ILR Specification, validation rules and appendices for AY 2021-22](#) to assist them with uploading the data correctly and in the format required by the ESFA. The ESFA will validate this data in line with their validation rules prior to it being forwarded to the NTCA. If the details for the learner do not pass the ESFA validation, it will not be received by the NTCA and will not generate funding. Further guidance can also be found in the [ESFA Provider Support Manual 2021-22](#).

- 11 Fields which will be included in the ILR for AY 2021-22 to deal with devolved provision will include:
  - 11.1 Source of Funding code (SOF) - to enable providers to identify the funding agreement/ Contract supporting NTCA residents.
  - 11.2 A set of Devolved Area Monitoring (DAM) Codes – these are new learning aim monitoring fields. Each aim can be flagged with up to four DAM codes but in most instances one DAM code will be required.
  - 11.3 Learner start date postcode - This is an important field and should record the postcode of the resident whilst undertaking their programme of learning, establishing that the learner has a NTCA postcode.
  - 11.4 Technical guidance on recording devolved provision in the ILR will be published to providers in receipt of NTCA's AEB.
- 12 Data recorded on the ILR return will continue to be used to calculate funding earned by providers and will enable the NTCA, as part of its performance management arrangements, to compare actual volumes and earnings against your agreed delivery plan as part of your Contract for Services/Grant Funding Agreement.
- 13 The data gathered through the ILR will enable the ESFA to generate Occupancy and Funding Summary Reports for both providers and the NTCA. These will confirm that the learning aim is valid, run the funding calculation and confirm the actual funding earned. It will also be used to monitor progress against payment profiles.
- 14 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](#), in line with the dates in the ILR returns calendar.
- 15 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 [Submit Learner Data](#) ESFA and the NTCA recommend uploading the data as compressed files. The file must contain all Learner records, Learning Delivery records and Learner Destination and Progression records for all NTCA funded residents for the year to date.
- 16 As a provider, you must submit a single file containing all your learner, 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.
- 17 Destination and Progression data cannot be sent in a separate file to Learner and Learning Delivery data: doing so would cause the Learner and Learning Delivery records to be deleted from the ILR database. Once you submit a file to [Submit Learner Data](#) it cannot be deleted, if the file contains incorrect data this can only be corrected by submitting another ILR file.

## ILR timeliness requirements

18 ILR Data is required monthly from all providers:

- 18.1 New starts must be reported within 2 reporting months of their start date
- 18.2 Withdrawals must be reported within 2 reporting months of their withdrawal date
- 18.3 Achievements must be reported within 3 reporting months of the point of achievement

# Annex 3 – Payment, Performance Management and Finance

## Background

- 1 This document sets out the North of Tyne Combined Authority's (NTCA) approach to monitoring provider performance for quality and financial stability. It includes information on overall performance, financial resilience and reconciliation requirements. This document supplements the information available in the NTCA Adult Education Budget (AEB): Funding & Performance Management Rules and the Grant Funding Agreement / Contract for Services (of which these rules form part).
- 2 NTCA have adopted a commissioning approach for the allocation of AEB, which includes a mixture of grant funded and procured provision. Providers who have delivered AEB provision funded by the ESFA will notice some distinct changes to the management of performance and funding by NTCA. It is important that you read and understand this document alongside your Grant Funding Agreement or Contract for Services, [ILR Specification, validation rules and appendices for AY 2021-22](#), [ESFA Provider Support Manual 2021-22](#), and any other relevant documents referred to in those documents.
- 3 NTCA are keen to continue to develop our approach to strategic relationship building and partnership working, to develop a shared understanding of NTCA's long-term strategic ambitions and priorities that result in localised, flexible, high quality provision that responds to the needs of our residents and employers.
- 4 Throughout the term of the contract, the AEB team will work with all NTCA funded providers, regardless of whether they are funded by a Grant Funding Agreement or Contract for Services, through proactive and collaborative performance management that will support us to understand and improve the impact and outcomes for our residents through the devolved AEB funding.
- 5 NTCA's approach to Performance Management is standardised across all Providers and we will continue to work in-year to identify ways of broadening access for our residents to engage in learning to meet our regional priorities through funding flexibilities.
- 6 This document will be periodically updated to ensure that policy aligns to the requirements of NTCA performance and measurements, alongside national policy requirements. Any updates will be communicated to providers and published on the NTCA website.

## Working with other agencies

- 7 Reliance will continue to be placed on the national data systems operated by the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA) with an emphasis on their relationship with Further Education (FE) Colleges in relation to its insolvency and intervention regimes, and oversight of Independent Training Providers (ITP).
- 8 To ensure a holistic oversight of performance and management of AEB to our residents, NTCA will work with other partner agencies in line with the Memorandum of Understanding (MoU) for the delegation of certain adult education functions to the NTCA and other Service Level Agreements. These agencies include:
- 9 DfE/ESFA where providers receive any funding from the ESFA for the delivery of training courses. Where there are concerns regarding a provider's performance or financial resilience and there is a shared risk, to ensure all information is considered and to minimise any unintended

consequences, data and intelligence will be shared with the ESFA's territorial and case management teams. This information will also be shared with the FE Commissioner. The NTCA will only instigate intervention measures when indicators evidence a risk to the viability of the NTCA funding agreement.

- 10 Ofsted. NTCA funded AEB provision is in scope for inspection by Ofsted. Upon receipt of the notice to inspect, providers must inform their NTCA Relationship and Contract manager and invite to attend the feedback meeting. Following inspection, the NTCA will review the outcomes and discuss any actions required.
- 11 FE Commissioner. The FE Commissioner may review provision funded by the NTCA and make recommendations to improve the quality or financial resilience of a provider. NTCA will share information to assist the FE Commissioner to complete any investigations, which will be co-ordinated by the ESFA. The provider must inform the NTCA Relationship and Contract Manager of any visit by the FE Commissioner to be given the opportunity to attend key meetings.
- 12 We have established local delivery networks and clear progression pathways for our residents therefore we expect our providers to work collaboratively with local authorities and other key stakeholders to deliver a more strategic and joined-up offer that best meets local needs.

## Role of the NTCA AEB Relationship and Contract Manager

- 13 Each provider will have a named AEB Relationship and Contract Manager (RCM) who will work with a dedicated number of providers and act as the first point of contact when managing the funding agreement between the NTCA and the provider.
- 14 The NTCA RCM will be responsible for monitoring and performance managing providers throughout the life of the funding agreement and will visit the provider, as a minimum, once per year, to discuss performance. NTCA will involve other members of staff in the review of contract performance, i.e. finance, data and policy.

## Performance Monitoring

- 15 All NTCA funded AEB providers, whether they have funding allocations through a Grant Funding Agreement or Contract for Services, will complete a delivery plan and monthly payment profile for the funding year, which will provide the vehicle upon which the provider's performance will be monitored.
- 16 The provider performance management is a risk-based approach focused on the value of the contract, quality of provision, contract compliance, data submissions, overall progress against your monthly payment profile, financial resilience and audit and assurance.
- 17 Whilst we are taking a risk-based approach, we want the performance monitoring approach to be capable of moving money around in-year in response to performance and need. Alongside the regular performance management points, we want all our providers to identify when they are not meeting profile or when they are experiencing higher demand so we can look to re-distribute funding throughout the year.

## Monitoring Points

- 18 NTCA have five key monitoring points throughout the period of the funding agreements, which are used to review the overall position of NTCA's delivery and funding. These key points are a combination of desk based and Provider visits and are set out in table 1 below, along with the timeline of business cycle activities.

Table 1: Key monitoring points & Business cycle Main Grant/Contract for Service AY 2021-22		
Month	Business Cycle Activity	Overall Contract Monitoring
August 2021 to October 2021	Year 1 delivery begins Provider induction  R01-R02 ILR returns	
November 2021 to January 2022	R03-R05 ILR returns	Quarter 1: Overall progress & performance review report at R04 (December 2021)
February 2022 to April 2022	R06-R08 ILR returns Mid-year claim Financial Health Assessments  2022/23 indicative Grant Agreements issued (informed by the Mid-year claim)	Quarter 2: Overall progress & performance review report at R06 (mid-year claim).  Provider reconciliation – R06
May 2022 to July 2022	R09-R11 ILR returns End of year 1 delivery	Quarter 3: Overall progress & performance review report at R09  Provider reconciliation at June – R09
August 2022 to November 2022	R12-R14 ILR returns  Year 2 delivery begins (for contract year 2022-2023)	Quarter 4: Overall end of year progress & performance review report at R14  Provider final reconciliation at October - R14
December 2022 to January 2023		Under-delivery funding recouped from providers

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- 19 At each monitoring point, NTCA reserves the right to recover any underspend through a re-profile of the remaining months of the Grant Funding Agreement/ Contract for Services.
- 20 NTCA will take the opportunity, at the key monitoring points, to take into consideration information from the Provider and other agencies, such as Ofsted. Table 2 below, details other such information that may be available throughout the monitoring points.

Table 2: Other monitoring information	
Information	AEB Monitoring discussion
Individualised Learner Record (ILR) data returns	The timeliness and accuracy of ILR data related to NTCA residents participating in AEB.
Funding claims	Performance against funding agreement as shown in the mid-year, end-year and final claims.
Ofsted inspections	The outcome of any recent Ofsted inspection monitoring visit and the quality improvement actions which the provider is implementing as a result.
Self-Assessment Report (SAR) and Quality Improvement Plan (QIP)	Providers self-assessment of quality of their provision and actions taken to improve.
FE Commissioner assessments	The findings or report of any FE Commissioner investigation or diagnostic assessment and the action plan developed by the provider as a result of assessment.
Financial health assessments	The outcome of any review of the financial performance information where there are risks to the delivery of AEB and where improvement action is required.
Audit	The outcome of any audit processes or reports, including where findings are qualified or require management action.

- 21 NTCA reserve the right to increase or decrease the number of key monitoring points it operates, in line with delivery against the Performance Management Framework.
- 22 Where, at these monitoring points, NTCA identifies an underspend against a contract value, NTCA may offer the opportunity to transfer the unspent allocation to another provider. The process for allocating additional funding will be conducted against a framework of criteria, which will be informed by the latest performance information available, relating to need and NTCA's strategic skills priorities.

## Performance Management Framework

- 23 NTCA will use the NTCA funding and performance management approach for providers receiving AEB funding. This risk-based approach will apply to all AEB providers, including those funded by a Grant Funding Agreement and/ or Contract for Services.
- 24 This approach is designed to ensure that providers meet the agreed delivery plan commitments and the minimum standards stipulated in providers' Grant Funding Agreement/Contract for Services. Should providers fail to meet the requirements and obligations arising from their Grant Funding Agreement or Contract for Services, NTCA may take appropriate (informal or formal) action against providers as required. This involves a three-stage approach as follows:
  - 24.1 Level 1: Performance management.
  - 24.2 Level 2: Informal action.
  - 24.3 Level 3: Formal action (Performance Improvement Notice).
- 25 A review of all providers will take place prior to the start of the Grant Funding Agreement/Contract for Service in order to determine an initial risk rating which will establish the frequency and detail of the performance management approach for each provider. This will include:
  - 25.1 Financial assessment
  - 25.2 Completion of contract award due diligence checks
  - 25.3 Use of tender submission and scores (for procured services)
- 26 Following the review, a risk rating will be assigned to providers which will indicate the level of intensity of performance management to be undertaken. The risk ratings are as follows:
  - 26.1 Green - Low intensity. The provider will receive, as a minimum, three formal performance reviews and one compliance check per year.
  - 26.2 Amber - Medium intensity. The provider will receive, as a minimum, five formal performance reviews and two compliance checks per year and are required to demonstrate the action being taken to improve performance.
  - 26.3 Red - High intensity. The provider will receive, as a minimum, monthly formal performance reviews and quarterly compliance checks per year and are required to demonstrate the action being taken to improve performance.
- 27 It is important to note that a provider's risk rating can change in-year, based on actual delivery, performance monitoring reviews, compliance checks and audits.

## Level 2: Informal action

- 28 If data shows that providers may not achieve the performance levels set out in the delivery plan and monthly payment profile, the NTCA will discuss with the provider whether a Performance Action Plan is required. The Action Plan will be used to capture all agreed actions for performance improvement, including incremental performance measures and pipeline data that may lead to improving performance levels in line with the Grant Funding Agreement/Contract for Services.
- 29 If the remedial actions captured on the Action Plan are unable to lift providers performance in order to meet the delivery plan/monthly payment profile performance levels, providers will receive a management letter to request specific performance improvement and invited to a meeting to discuss performance. At this stage, providers will be informed that formal action could be taken in the event that performance does not improve.
- 30 The Action Plan will be reviewed as part of the providers Progress and Performance review. Moving to Level 2 within the Performance Management Framework will impact on a provider's overall risk rating and consequently the intensity of the performance management approach.

## Level 3: Formal action

- 31 If formal action is required, NTCA will issue a Performance Improvement Notice (PIN) in accordance with the terms of a provider's Grant Funding Agreement or Contract for Services, to address the failure to meet the performance levels. NTCA will work with providers to support the completion of a Performance Improvement Plan (PIP) and agree the forecast management information providers will be asked to supply.
- 32 In the event that performance does not improve sufficiently to meet the performance levels as required by the PIN or providers are otherwise in breach of the agreements set out in the PIP, NTCA may act to terminate a provider's Grant Funding Agreement or Contract for Services (or take such other action as is specified in those contracts)..
- 33 The PIN will be reviewed as part of a provider's Performance Review. Moving to Level 3 within the Performance Management Framework will impact on a provider's overall RAG rating and therefore the intensity of the Performance Management approach. It may also impact on any additional in-year or re-allocation for future funding years.

## Performance Reviews

- 34 The NTCA Relationship and Contract Manager will hold regular performance reviews with providers which will focus on achieving contractual performance levels. Performance will be managed on both quantitative and qualitative aspects of providers' Grant Funding Agreements/ Contract for Services. Other specialist NTCA staff may be involved in the performance review meetings where relevant.
- 35 The purpose of the performance reviews is to formally examine, with providers, the performance against Grant Funding Agreements/ Contract for Services. All relevant aspects of performance will be assessed against contractual requirements and outcomes. The frequency of performance reviews will be in line with a provider's RAG rating.

- 36 The performance review visits will focus on the ongoing achievement of performance levels. This will include, but will not be restricted to:
- i. actions arising from previous performance reviews
  - ii. actual performance against the delivery plan/monthly payment profile as reported in the ILR and EAS
  - iii. expected future performance
  - iv. review of Action Plan (where applicable)
  - v. subcontractor and supply chain performance
  - vi. collaborative working
  - vii. assurance visits
- 37 At these performance review points, where providers have identified actual or potential underperformance within their current allocation, they will be given the opportunity to voluntarily reduce their allocation. Any underperformance may be returned to the NTCA to be redistributed.
- 38 Where this is the case, this may not impact on a provider's allocation or contract decisions for 2022/23, subject to the providers not being at level 2 or 3 of the Performance Management Framework.
- 39 Should a provider's underperformance position continue, NTCA reserve the right to review future allocations. In addition, if at the performance review points set out above, NTCA have evidence that providers will not deliver in full, NTCA may reduce funding to a level that is in line with a provider's actual in-year delivery.

## Assurance Monitoring

- 40 Providers must ensure they have systems and processes in place to assure NTCA that AEB is being used appropriately.
- 41 In order to gain this assurance, NTCA will undertake a minimum of one assurance visit per contract year. NTCA reserve the right to increase or decrease the number of assurance visits in line with delivery against the Performance Management Framework.
- 42 The assurance visits will include, but are not limited to:
  - 42.1 ILR submission and data
  - 42.2 Earnings Adjustment Statement (EAS) submission
  - 42.3 Sample checks of evidence packs
  - 42.4 Sub-contracting arrangements
- 43 Full details of NTCA's assurance policy and process is available to all providers via NTCA's document sharing platform [Egress](#).
- 44 NTCA use [Egress](#) to securely share documentation and data with providers, to request access to this system please speak to NTCA's Relationship and Contract Manager.

## Local Governance

- 45 NTCA have put in place a consistent distribution of communications and meetings across the NTCA area to provide a supportive and engaging environment whereby key stakeholders (including NTCA AEB providers) can shape, contribute to and take ownership for the NTCA adult skills provision.
- 46 Meetings are planned throughout the duration of the contract which will provide a forum in which the AEB programme and wider skills delivery and performance can be openly discussed with relevant providers. The aims will be to support continuous improvement, sharing of good practice and collaboration.
- 47 NTCA continue to encourage collaboration across all lead providers and their supply chains to enable high quality learner pathways, both at a local level and across NTCA.

## Payments and reconciliation – Main Grant/Contract for Service

- 48 The NTCA will run the BACS payments to ensure providers are paid on the last working day of each month. Providers will need to ensure there is adequate cash flow available to accommodate these payment terms.
- 49 All providers will be required to complete a monthly payment profile for all funding lines, based on an agreed delivery plan, which will form part of the Grant Funding Agreement/Contract for Services.
- 50 In AY 2021-22, NTCA will utilise the provider's monthly Funding Summary and Occupancy Report to calculate and monitor a provider's AEB earnings against their NTCA allocation.
- 51 All funding allocations will be allocated in two funding envelopes spanning two financial years:
  - 51.1 1 August 2021 to 31 March 2022 – periods 1 to 8 of AY 2021-22
  - 51.2 1 April 2022 to 31 July 2022 – periods 9 to 12 of AY 2021-22
- 52 At no stage will the cumulative payments made to a provider breach the maximum value in each of the funding envelopes or the total value of the contract. Any over-delivery will not be funded and variations to contract values will be formalised through a contract variation.
- 53 At the end of the funding agreement period, following submission of a provider's R14 ILR return, NTCA will carry out a year end reconciliation, against a provider's NTCA AY 2021-22 AEB allocations.
- 54 NTCA reserves the right to recover any underspend, in full, below the provider's NTCA AY 2021-22 AEB allocations. All unspent funds will be paid back to NTCA following the year end reconciliation and no later than 31st January of the year following the contract end.
- 55 AEB Grant Funding Agreements and Contract for Services remain separate with different payment arrangements. If you hold both funding agreements, you cannot vie funds between the two.
- 56 NTCA will not provide any payments to a provider for over-delivery of their funding allocation. Any additions to funding allocations will follow NTCA procurement or allocation of funds procedures.
- 57 NTCA must be notified immediately if there is any possibility of a provider earning in excess or less than the NTCA AEB funding allocation for the given year.
- 58 You cannot via funds between ESFA, other Mayoral Combined Authorities or any other funding streams and NTCA. However, you can use other funding streams to complement AEB if that improves the chances of the NTCA resident progressing and/or achieving a positive outcome.

## Contract for Services Providers

- 59 Payments from NTCA to Contract for Services providers will be paid on their monthly payment profile for the duration of the contract year.
- 60 NTCA reserve the right to remove providers from payment on profile to payment on actuals if there are any issues related to performance as set out in NTCA's performance management framework.
- 61 Providers will submit monthly AEB ILR and EAS return data from R01 to R14. All returns should be submitted via Submit Learner Data on the submission dates as detailed in the ESFA data collection timetable for AY 2021-22.
- 62 All payments will be made on submission of an invoice, providers must submit an invoice on a monthly basis to NTCA for the agreed payment amount. A separate document will be issued on Egress (AEB Provider Invoice and Payment Dates) detailing payment timelines for AY 2021-22.

## Grant funded providers

- 63 NTCA will not apply a 3% reconciliation tolerance to underperformance by Grant funded providers. This approach is applied to both AEB provision, learning support and non-formula funding community learning allocations (if applicable) as set out in your Grant Funding Agreement.
- 64 NTCA will also not apply a 3% tolerance to over-delivery. Any over-delivery will not be funded and variations to Grant allocations will be confirmed in writing. This approach is applied to both AEB provision, learning support and non-formula funded community learning allocations (if applicable) as set out in your Grant Funding Agreement.
- 65 Payments from NTCA to Grant providers will be made on a monthly basis, on production of an invoice against the provider's monthly payment profile as detailed in your Grant Funding Agreement. A separate document will be issued on Egress (AEB Provider Invoice and Payment Dates) detailing payment timelines for AY 2021-22.

## Key monitoring and reconciliation points – all providers

- 66 NTCA will have three reconciliation points where providers' actual delivery against their payment profiles can be reconciled. These key points are set out in table 3 below, along with the funding tolerances for each reconciliation point.
- 67 NTCA reserve the right to re-profile, reconcile or cease payments at any point during the Grant Funding Agreement/Contract for Service period.
- 68 Where a provider's risk is rated as Red, reconciliation will be considered outside of the three reconciliation points in table 3 below, depending on the level of risk to the funding allocation.

Table 3: Key monitoring and reconciliation points		
Key monitoring and reconciliation point	Funding tolerance	Month
R06 for delivery up to end January 2022	-10%	February 2022
R09 for delivery up to end April 2022	-5%	April 2022 (End of financial year reconciliation)
R14 for delivery up to end August 2022	0%	October 2022 (Final funding claim year end reconciliation)

- 69 Any provider with an identified funding variance for their total contract value, greater than that detailed in table 3 at the specified monitoring and reconciliation points, must submit a plan to NTCA outlining how they intend to address the under delivery.
- 70 NTCA reserves the right to reprofile, reconcile or cease payments, outside of the performance monitoring points detailed in table 3, if providers are identified as having a funding variance outside of the above funding tolerances, detailed in table 3, at the key monitoring and reconciliation points.

## 2020-21 Carry-in delivery to 2021-22 (due to exceptional circumstances resulting from COVID-19 impact)

- 71 This section only applies to providers where NTCA have agreed the option to 'carry-in' under delivery from AY 2020-21.
- 72 NTCA recognise the exceptional, unforeseen circumstances providers have faced during the AY 2020-21 due to the COVID-19 pandemic. We acknowledge the work and commitment from our provider base to deliver as much quality provision as possible, whether that is face-to-face or online.
- 73 NTCA have agreed an approach to enable providers to carry any 'under delivery' against their AY 2020-21 funding allocations into AY 2021-22 with no reconciliation applied in the 2020-21 funding year.
- 74 This approach gave all providers the option to continue to receive payments against their payment profiles until the end of AY 2020-21 so that they receive their full funding allocations.
- 75 The carry-in delivery is ring-fenced to support COVID recovery and must be utilised in AY 2021-22.

### Performance monitoring of carry-in delivery

- 76 All providers, where NTCA have agreed the option to carry-in delivery from 2020-21 will complete a delivery plan and monthly profile to account for the provision carried in. This will provide the vehicle upon which the provider's performance for carry-in delivery will be monitored.
- 77 Carry-in delivery is subject to NTCA's performance management framework which is a risk-based approach focused on the value of the carry-in delivery, quality of provision, contract compliance, data submissions, overall progress against your monthly profile, financial resilience and audit and assurance.

### Carry-in delivery monitoring points and reconciliation

- 78 NTCA will have three monitoring points for carry-in delivery, these key points are set out in table 4 below. We do not intend to reconcile carry-in delivery until the end of AY 2021-22 (R13).
- 79 Where a provider's risk is rated as Red, reconciliation will be considered outside of the three reconciliation points in table 4 below, depending on the level of risk to the funding allocation.

Table 4: Key monitoring points & Business cycle – Carry-in delivery from 2020-21		
Month	Business Cycle Activity	Overall Contract Monitoring
August 2021 to October 2021	Carry-in delivery begins  R01-R02 ILR returns	
November 2021 to January 2022	R03-R05 ILR returns	Quarter 1: Overall progress & performance review report at R04 (December 2021)
February 2022 to April 2022	R06-R08 ILR returns  Mid-year claim	Quarter 2: Overall progress & performance review report at R06 (mid-year claim).
May 2022 to Sept 2022	R09-R13 ILR returns  End of carry-in delivery	Quarter 3: Overall progress & performance review report at R12.  Provider final reconciliation of carry in delivery R13.

## Financial Due Diligence – all providers

- 80 NTCA will undertake a financial review of NTCA AEB providers during AY 2021-22. The NTCA does not intend to publish the results of its internal financial review as its purpose is to inform the allocations for the 2022-23 funding year. If the provider disagrees with the financial risk rating, additional information to support a review of the risk rating can be provided. The financial assurance process is shown in table 5 below.

Risk Rating	Financial review action
Green	Providers will be required to submit management accounts once a year, and in addition, a financial forecast for the remainder of the contract year, in advance of a desk-based finance review. This information will be shared with your Relationship and Contract Manager who will draw upon it in assessing your overall contract performance.
Amber	Providers will be required to submit management accounts once per year and in addition, a financial forecast for the remainder of the contract year with your latest management accounts, in advance of a desk-based finance review. This information will be shared with your Relationship and Contract Manager who will draw upon it in assessing your overall contract performance. A formal finance review will take place during the year, where the provider will be required to demonstrate the action it is taking to improve its financial position.
Red	Providers will be required to submit management accounts once per year and in addition, a quarterly financial forecast for the remainder of the contract year with your latest management accounts, in advance of a desk-based finance review. This information will be shared with your Relationship and Contract Manager who will draw upon it in assessing your overall contract performance. A formal finance review will take place quarterly where the provider will be required to demonstrate the action it is taking to improve its financial position.

## **Annex 4 – Eligibility for funding**

This Annex sets out the countries falling within the below categories as referenced in paragraphs 40 to 43.

### **British Overseas Territories**

- Anguilla
- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- Gibraltar
- Montserrat
- Pitcairn, Henderson Island, Ducie and Oeno Islands
- South Georgia and the South Sandwich Isles
- St Helena and its dependencies (Ascension and Tristan da Cunha)
- Turks and Caicos Islands

### **EEA**

The EEA comprises of the following countries:

- All Member States of the European Union

You can access a list of member states on the EU website.

With respect to EEA nationality, note that any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national.

- Iceland
- Lichtenstein
- Norway
- Switzerland

Although Switzerland is not part of the formally recognised EEA, its nationals are eligible under various international treaties signed by the UK and Swiss governments.

The table below lists territories that are categorised as being within the EU and or territories that are categorised as being part of the listed countries such that they satisfy our residency requirements for the purposes of the AEB funding rules.

Denmark	The following is part of Denmark: Greenland Faroe Islands
Finland	The following is part of Finland and the EU: Aland islands
France	The following is part of France and the EU: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon)  The following is part of France: New Caledonia and its dependencies French Polynesia Saint Barthélemy
Germany	The following is part of Germany and the EU: Tax-free port of Heligoland
Netherlands	The following is part of the Netherlands: Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten) Aruba
Portugal	The following is part of Portugal and the EU: Madeira The Azores
Spain	The following is part of Spain and the EU: the Balearic Islands, the Canary Islands, Ceuta Melilla

To note: Andorra, Macau, Monaco, San Marino and the Vatican are not part of the EU or the EEA.

## Annex 5 - Summary of main changes since Funding and Performance Management Rules 2020 to 2021

We have highlighted the main changes made in this document compared to the final version we published for 2020 to 2021 in the table below.

Please note this is not an exhaustive list of all changes. You must refer to the main document for the definitive rules, which apply to all providers who receive devolved AEB funding from the NTCA.

If you have a specific query on the funding rules, please speak to the NTCA AEB Contract and Relationship Manager.

Section	Paragraph	Change
Introduction and purpose of the document	Page 6 – paragraphs 1 - 11	Introduction updated to reflect completion of year one of AEB devolution and entering 2 <sup>nd</sup> year.
	Page 7 - paragraph 14	Paragraph updated to provide clarity on AEB contractual arrangements
	Page 7 – paragraph 22	Contact details updated
Section 1 Who the NTCA will fund	Page 9 – paragraph 33	Updated to include link to .GOV postcode checker
Section 1 Residency eligibility	Page 10 to 14	Updated to reflect current policy.
Section 1 What the NTCA will fund	Page 15 – paragraph 61	Updated to include link to <a href="#">Find a learning aim</a>
Section 1 What the NTCA will not fund	Page 15 – paragraph 66.4	This paragraph has been added to provide clarification on AEB funding rules for learners undertaking or planning to undertake an apprenticeship
Section 1 Qualifying days for funding	Page 16 – paragraph 69	Qualifying days for funding table removed and replaced with hyperlink to .GOV guidance

Section 1 Recognition of Prior learning (RPL)	Page 16 – paragraphs 71 to 74	Paragraphs updated to reflect current position on prior learning.
Section 1 Breaks in learning Response to coronavirus (COVID-19)	Page 17 – paragraphs 75 to 81	Paragraphs updated to included position on breaks in learning due to COVID-19
Section 1 Match Funding	Page 20 – paragraph 112	Paragraph updated to provide clarity on match funding rules
Section 2 Legal entitlements and Local Flexibility	Page 21 – paragraphs 113 to 120	Paragraphs updated to provide further clarity on funding rules for Legal entitlements and local flexibility.  Hyperlinks updated to .GOV approved qualifications website and Find a learning aim
Section 2 Funding contribution tables	Page 23 & 24	The funding contribution table has been simplified and information is now presented by the different age groups (19 to 23 and 24+).
Section 2 Level 3 Adult Offer	Page 25 – paragraphs 121 to 131	This section has been added to reflect funding rules related to the Level 3 Adult Offer.
Section 3 Full Level 2 and Full Level 3	Page 27 – paragraphs 132 to 136	Paragraphs updated for simplification
Section 3 Unemployed	Page 28 – paragraphs 139 to 140	Paragraphs updated to reflect updates to earning thresholds
Section 3 Residents in receipt of low wage	Page 29 – paragraphs 141 to 143	Updated to reflect the Living Wage Foundation 'Real Living Wage' from April 2021

Section 3 Non-regulated learning	Page 30 – paragraphs 149 to 152	Paragraphs updated for clarity
Section 3 NTCA non-regulated funding flexibilities	Page 31 to 32	Paragraphs inserted to reflect funding rules associated with NTCA’s non-regulated funding flexibilities
Section 3 Learning in the workplace	Page 33 – paragraph 156	Paragraph added to reflect NTCA’s approach to workplace learning in response to a negative economic impact for a specific sector.
Section 3 Digital entitlement for those aged 19 or older	Page 34 – paragraphs 164 to 167	Paragraphs amended to provide further clarity on the digital entitlement
Section 3 Sector-based Work Academy Programme (SWAP)	Pages 36 to 38 – paragraphs 185 to 200	Paragraphs added to outline funding rules related to SWAP programmes funded from a providers existing AEB allocation
Section 4 Learning Support	Page 38 – paragraphs 202 to 204	Paragraphs added to reflect NTCA extension of learning support across all providers
Annex 1 - Glossary	Find a learning aim	Find a Learning Aim replaces reference to The Hub
Annex 3 – Payment, Performance Management and Finance		All references to Framework Agreement removed and replaced with Contract for Service
Annex 3 – Payment, Performance Management and Finance	Page 58 - Paragraph 15	Paragraph updated to provide clarity in relation to ‘delivery plan’ and ‘monthly payment profile’.
Annex 3 – Payment, Performance Management and Finance  Monitoring Points	Page 59 - paragraph 18 and Table 1	Monitoring points updated to reflect new funding year  Reconciliation points updated removed reconciliation point at R04 (November 2021).

Annex 3 – Payment, Performance Management and Finance  Assurance Monitoring	Page 63 - paragraphs 41 to 44	Paragraphs amended to provide clarity on assurance visits and frequency
Annex 3 – Payment, Performance Management and Finance  Payments and reconciliation – Main Grant/Contract for Service	Page 65 paragraphs 48 to 58	Paragraphs updated to reflect new funding year and further clarity on process
Annex 3 – Payment, Performance Management and Finance  Contract for Service Providers	Page 66 – paragraphs 59 to 62	Paragraphs updated to reflect payment by monthly profile
Annex 3 – Payment, Performance Management and Finance  Key monitoring and reconciliation points – all providers	Page 66 – paragraphs 66 to 68 and Table 3	Paragraphs updated to reflect new funding year and monitoring points. Table 3 updated to reflect changes to funding tolerance levels at each monitoring point
Annex 3 – Payment, Performance Management and Finance  2020-21 Carry-in Delivery	Pages 67 to 68 – paragraphs 71 to 80 and Table 4	Section inserted to clarify performance monitoring arrangements for ‘carry-in’ delivery from 2020-21
Annex 4 – Eligibility for funding		Updated for clarity in relation to ‘Residency Requirements’