

NTCA Post-16 Skills Framework (PSF)

Schedule 3A

Payment & Performance Management Rules (PPMR)

For the 2023-24 Funding Year
(1 August 2023 to 31 July 2024)

This document sets out the payment and performance management rules that apply to all providers of education and training for NTCA residents who receive funding from NTCA in:

- Lot 1: devolved 19+ Adult Skills Fund – referred to as **Adult Education Budget (AEB)**
- Lot 2: Level 3 Free Courses for Jobs (FCfJ)

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INTRODUCTION AND PURPOSE OF THE DOCUMENT	4
Understanding the Terminology	5
Contacting us	5
Working with other agencies	5
Role of NTCA Officer	6
Annex 1:	7
Section 1: Performance Management.....	7
Performance monitoring.....	7
Intervention	9
Performance Reviews	12
Destination and progression tracking.....	12
Assurance Monitoring	13
Stakeholder engagement.....	13
Data submission	14
Payments and reconciliation	14
Allocation growth requests	16
Devolved AEB Flexibilities	17
Financial Due Diligence	18
Financial irregularity	18
Section 2: Quality assurance and raising standards.....	18
Quality Monitoring.....	19
Teaching Staff.....	20
Data Quality	20
Ofsted	20
Section 3: Audit.....	21
Annex 2:	23
Performance Management Level 3 FCfJ.....	Error! Bookmark not defined.
Section 1: Performance Management.....	Error! Bookmark not defined.
Intervention	26
Performance Reviews.....	28
Destination and progression tracking.....	29
Assurance Monitoring	29
Stakeholder Engagement	30
Data submission	30

FCfJ Payments and Reconciliation	30
Financial irregularity	31
Quality Assurance and Audit.....	31
LIST OF ABBREVIATIONS.....	32

INTRODUCTION AND PURPOSE OF THE DOCUMENT

1. This document sets out the North of Tyne Combined Authority's (NTCA) principles by which we will manage your performance and funding in the academic year (AY) 2023 to 2024. It is part of the full terms and conditions set out within the Grant Funding Agreement or Contract for Services (the 'Agreement') and NTCA 2023-24 Funding Rules. NTCA will apply our principles of performance management consistently to all providers.
2. For the avoidance of doubt, in addition to taking action under any part of NTCA's Funding Rules and/ or this Payment and Performance Management Rules (PPMR), NTCA is entitled at all times to consider the remedies available to it under the 'Agreement' where there is any form of intervention.
3. Providers who have delivered provision funded by the Education and Skills Funding Agency (ESFA) and/ or other Mayoral Combined Authorities (MCA) or Greater London Combined Authority (GLA), 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, Funding Rules 2023-24, ILR specification, validation rules and appendices for AY 2023-24, ESFA provider support manual 2023-24, and any other relevant documents referred to in those documents.
4. Throughout the term of the Agreement, NTCA skills team will work with all 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 NTCA's devolved AEB and delegated Level 3 Free Courses for Jobs (FCfJ).
5. NTCA's approach to performance management is standardised across all providers and we will continue to utilise our funding flexibilities to identify ways of broadening access for our residents to engage in learning to meet our regional priorities.
6. This document will be periodically updated. Any updates will be clearly marked in the new versions and communicated to providers, with a copy uploaded to Egress.
7. Egress is a secure online service that gives you access to information about your contract and payments. Providers will be issued with a log in to this service to share your contract documents, payment reports, meeting notes, correspondence, data, quality information and any other relevant documentation.
8. This PPMR does not apply to NTCA funded Skills Bootcamps or to education and training services funded by the ESFA.
9. Please note, this PPMR forms 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 this PPMR carefully and ensure that your organisation is familiar with the content. You must operate within the terms and conditions set out in this PPMR. If you do not, you could be in breach of your Agreement with NTCA and appropriate action may be taken.

Understanding the Terminology

10. The terms '**NTCA**', '**we**' and '**our**', refer to the North of Tyne Combined Authority.
11. When NTCA refers to 'you' or 'Provider', this includes Colleges, Sixth Form Colleges, Independent Training Providers (ITPs), voluntary community sector Providers and Local Authorities who receive funding from us to deliver post-16 education and training to NTCA residents.
12. The term 'provider' is a generic term which applies to an organisation on the Post-16 Skills Framework with either a Grant Funding Agreement or a Contract for Services in the 2023-24 AY.
13. 'Contract value' means your funding allocation as set out in the appropriate appendix of your Grant Funding Agreement or Contract for Services.
14. The term 'Agreement' in this PPMR can be a Grant Funding Agreement or a Contract for Services.
15. We use the terms 'resident' and 'learner' to refer to those whose provision is funded by NTCA i.e. those with a postcode in NTCA area.
16. We use the term 'provision' or 'learning' to refer to NTCA devolved or delegated AEB, whether it is a regulated qualification, or other learning that is not a regulated qualification.
17. We use the term 'Officer' to refer to any appointed NTCA staff member who will be involved with the ongoing management and monitoring, either directly or indirectly, of your Agreement.

Contacting us

18. Your assigned NTCA Officer will be your first point of contact. However, you will be given details of all relevant team members at your induction session and these will also be available in Egress.
19. Providers on the Post-16 Skills Framework but without a call-off contract or Grant funding agreement can contact us at AEB@northoftyne-ca.gov.uk.

Working with other agencies

20. Reliance will be placed on the national data systems operated by the DfE and the ESFA with an emphasis on their relationship with Further Education Colleges in relation to its insolvency and intervention regimes, and oversight of Independent Training Providers.
21. To ensure holistic oversight of performance and management of the devolved and/or delegated AEB to our residents, NTCA will work with other partner agencies in line with the Memorandum of Understanding (MoU) for the delegation of certain post-16 education functions to NTCA and other service level agreements. These agencies include:
 - 21.1. 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 and vice versa. This information will also be shared with the FE Commissioner (if applicable). NTCA will only instigate intervention measures

when indicators evidence a risk to the viability of NTCA Agreement.

- 21.2. Ofsted. Provision funded by NTCA is in scope for inspection by Ofsted. Upon receipt of the notice to inspect, providers must inform their designated contract manager and invite to attend the feedback meeting. In some cases, NTCA will be asked to feedback to Ofsted on the provision delivered by the provider. Following inspection, NTCA will review the outcomes and discuss any actions required.
 - 21.3. FE Commissioner. The FE Commissioner may review provision funded by 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 NTCA Authorised Officer of any visit by the FE Commissioner to be given the opportunity to attend key meetings.
22. 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 NTCA Officer

23. Each provider will have a named NTCA Officer who will work with a dedicated number of providers and act as the first point of contact when managing the Agreement between NTCA and the provider.
24. The Officer will be responsible for monitoring and performance managing providers throughout the life of the Agreement and will visit (either in person or via virtual meetings) the provider, quarterly to discuss performance. NTCA will involve other members of staff in the review of contract performance, i.e. finance, data and policy as deemed appropriate.

Annex 1:

Performance Management of the Devolved Adult Education Budget (AEB)

Applicable to Providers with a Grant Funding Agreement for AEB and providers with a Contract for Service in Lot 1

Section 1: Performance Management

Performance monitoring

1. All providers, whether they have funding allocations through a Grant Funding Agreement or Contract for Services, will be subject to this performance management process. Providers will have submitted an agreed delivery and funding plan (D&FP) for each separate Agreement, for the full AY, which will reconcile to the total value of each Agreement. The D&FP will provide the vehicle upon which the provider's performance will be monitored and includes estimates of volumes, mix of provision, outcomes, progressions and spending across the full range of provision that is expected to be delivered.
2. The PPMR is a risk-based approach focused on the value of the Agreement, quality of provision, contract compliance, data submissions, overall progress against monthly payment profiles, financial resilience and audit and assurance. This approach will apply to all providers, regardless of whether they hold a Grant Agreement or a Contract for Service Agreement.
3. NTCA will monitor your performance on a regular basis throughout the period of your Agreement, through a combination of desk-based reviews and full monitoring visits, set out in table 1 below. The review will consider both provision which is delivered directly by the provider and provision which is delivered indirectly through a third-party delivery agreement. The prime provider is accountable for all delivery.
4. The purpose of the performance monitoring is to:
 - 4.1 Understand what providers have delivered and claimed on behalf of the Authority and how this compares with profiles set out in the D&FP, this includes profiled outcomes and supply chain management.
 - 4.2 Understand areas of delivery and supply and demand, to ensure alignment with priorities as set out in [NTCA's Skill Plan: Opportunity for All](#).
 - 4.3 Understand how the programme is performing as a whole and inform full delivery across the academic year (AY).
 - 4.4 Identify potential issues and risks at the earliest opportunity, e.g. data inaccuracy and/ or timeliness of submissions and under/ over-delivery, so that appropriate support and intervention may be put in place.

Table 1: Key monitoring points and business cycle Grant/ Contract for Services AY 2023-24		
Month	Business Cycle Activity	Overall Contract Monitoring
August 2023 to November 2023 R04 Collection Date: 6 December 2023	Delivery begins R01-R04 ILR returns R04 Growth Request Application Window open (08/12/23 to 15/12/23)	Full monitoring visit following R04 return (held in December) – to ensure delivery has begun and assess whether any reprofiling is necessary Applications for Growth considered Notification of Decision: January 2024
December 2023 to January 2023 R06 Collection Date: 6 February 2024	R04-R06 ILR returns Funding forecast outturn – R06	Full monitoring visits based on R06 ILR return (held in February) Reconciliation and reprofile.
February 2023 to April 2023 R09 Collection Date: 7 May 2024	R06 – R09 ILR returns Funding forecast outturn – R09	Full monitoring visit based on R09 ILR return (held in May) Reconciliation and reprofile
May 2023 to July 2023 R12 Collection Date: 6 August 2024	2023-24 R12 Provider year end reconciliation	Full year-end performance review Full reconciliation
August 2023 to October 2023 Final Year-End Collection Date: 17 October 2024	2023-24 R13,14 Reconciliation of all achievements, learner withdrawals, completions	Full year-end performance and financial reconciliation

- 5 At each monitoring point, if a provider is unlikely to meet their overall D&FP targets, NTCA reserves the right to recover any underspend and rebase the Agreement value for the remaining months of the AY.
- 6 Providers do not need to wait for these performance management points and can discuss with their Officer if they identify there is a risk of not meeting profile or any other risks to the delivery or performance of the Agreement.
- 7 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	Monitoring discussion
Individualised Learner Record (ILR) data returns	The timeliness and accuracy of ILR data related to NTCA's devolved and/or delegated AEB.
Funding claims	Performance against the Agreement as shown at key points throughout the AY and whether the total funding value should be adjusted to better reflect the level of performance.
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 NTCA's devolved and/or delegated 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.
Participant feedback and complaints	Information applicable to investigate a complaint raised by a learner.
Other	Any other information applicable to determine the level of risk associated with delivering the Contract e.g. resident complaints, whistleblowing cases.

- 8 NTCA reserves the right to increase or decrease the number of key monitoring points it operates, in line with delivery against the PPMR.
- 9 Where a provider or college operates as a group, the Agreement is held with the legal entity for the group. NTCA will agree the arrangements for performance monitoring meetings with the provider to ensure that there is the scope for discussion about provision for NTCA residents, as well as the group management of the Agreement.

Intervention

Informal intervention

- 10 NTCA Officers will work with providers to ensure that provision funded by NTCA is of a high quality and that providers maintain financial stability. A provider will be deemed as going into informal intervention where performance or financial issues have been identified. NTCA will work with the provider so they have the opportunity to make improvements, so that the final delivery is in line with the Agreement.
- 11 NTCA will expect the intervention to be proportional to the scale of the specific issue(s) identified, for example, a time limited action plan with appropriate actions, measures and milestones and/ or increased monitoring and additional information to ensure actions are being taken effectively and on a timely basis.

- 12 If the informal intervention does not adequately resolve the issue within the planned timescales and to the satisfaction of NTCA, the Authority may opt to either extend the timescales within which the matter must be resolved or escalate the matter for formal intervention.

Formal intervention

- 13 A provider may enter formal intervention when indicators evidence a risk to the viability of NTCA Agreement. This could include the following circumstances:
- 13.1 attempts to resolve the matter through informal intervention have not been successful within a reasonable timeframe.
 - 13.2 the issue identified is considered by the Authority to be sufficiently significant to be dealt with formally rather than informally. This could include, but is not limited to:
 - 13.2.1 NTCA or ESFA Financial Health assessment determines that the provider's financial health is 'red'/ 'inadequate' or risks declining into 'red'/ 'inadequate' in the future and/ or the provider's financial information shows that the provider may not be able to meet liabilities in the future;
 - 13.2.2 an Ofsted inspection judges the provider as 'inadequate' in any areas of the inspection;
 - 13.2.3 a subsequent Ofsted monitoring visit judges the provider as making 'insufficient progress';
 - 13.2.4 continual poor quality data returns and/ or a measurable decline in performance management data;
 - 13.2.5 a qualified opinion resulting from a funding audit;
 - 13.2.6 a financial irregularity investigation produces evidence to support suspicion or allegations of fraud.
- 14 If formal intervention is required, NTCA will initiate specific conditions which the provider will be required to satisfy. The provider will be required to set out in a SMART action plan and must be submitted to their nominated Officer in a timely manner. The action plan must include a range of activities to remedy or mitigate further consequences to secure rapid improvement. These conditions will be set out formally during a formal intervention meeting and therefore become contractual obligations.
- 15 If the conditions are not addressed to the satisfaction of NTCA, this will be considered to be either a minor or serious breach of the Agreement and we may respond in a number of ways, including, though not limited to:
- 15.1 extending the deadline by which the condition must be satisfied. This will only be done where there is clear evidence of progress and we are satisfied that the issue will be fully resolved given additional time;
 - 15.2 reducing the provider's allocation (and therefore reprofiling);
 - 15.3 withdrawing any future allocation;

- 15.4 withdrawing eligibility for growth funding;
 - 15.5 temporary or permanent suspension of recruitment and/ or delivery, either across the whole of the Agreement or in specific areas of concern;
 - 15.6 temporary or permanent suspension of payment, either across the whole of the Agreement or in specific areas of concern;
 - 15.7 commissioning a formal investigation of the provider;
 - 15.8 commissioning an audit of the provider;
 - 15.9 repayment of funding already paid to the provider, either across the whole of the Agreement or in part across specific areas of concern;
 - 15.10 referral to partner agencies e.g. ESFA, FE Commissioner or Ofsted;
 - 15.11 termination of the Agreement
- 16 We expect the provider to make every effort to work with NTCA to resolve emerging issues in a timely and satisfactory manner before such measures above become necessary.
- 17 Where serious breaches occur, e.g. safeguarding issues, incidents of fraud or financial irregularities, NTCA reserve the right to terminate the Agreement without notice with immediate effect.

National intervention

- 18 Where the provider is also subject to intervention by the ESFA through the national oversight arrangements, NTCA will work with the ESFA and FE Commissioner to ensure that action to improve performance is complementary.
- 19 The national ESFA policies and guidance about the oversight of providers are published on the Gov.UK website:
- 19.1 For colleges: <https://www.gov.uk/government/publications/college-oversight-support-and-intervention>.
 - 19.2 For independent training providers: <https://www.gov.uk/government/publications/how-esfa-maintains-oversight-of-independent-training-providers-itps>.

Exiting formal intervention

- 20 The provider will remain in formal intervention until all conditions have been rectified and NTCA are satisfied that all contractual arrangements can be achieved, and/ or:
- 20.1 NTCA financial health assessment indicates that the provider's financial health is rated as 'Amber' or above or 'Good' or above; and/ or
 - 20.2 the provider is no longer at risk of insolvency, as confirmed by the appointed education administrator;
 - 20.3 all audit, assurance, fraud and investigations are satisfactorily implemented and the provider complies with NTCA's audit and assurance requirements.

Performance Reviews

- 21 NTCA Officers 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' Agreements. Other specialist NTCA staff may be involved in the performance review meetings where relevant.
- 22 The purpose of the performance reviews is to formally examine, with providers, the performance against the Agreement. All relevant aspects of performance will be assessed against contractual requirements and outcomes. The frequency of performance reviews is set out in Table 1, but may be increased, depending on a provider's RAG rating.
- 23 The performance review visits will focus on the ongoing achievement of performance levels. This will include, but will not be restricted to:
 - 23.1 actions arising from previous performance reviews;
 - 23.2 actual performance against the D&FP as reported in the ILR and EAS;
 - 23.3 expected future performance;
 - 23.4 review of action plan (where applicable);
 - 23.5 subcontractor and supply chain performance;
 - 23.6 collaborative working;
 - 23.7 ability to respond to NTCA's strategic skills priorities;
 - 23.8 Ofsted inspection results; and/ or
 - 23.9 Financial control.
- 24 All providers will start their funding agreement/contract for service with a green RAG rating – **please note that this will be subject to due diligence checks pre-funding agreement/contract**
- 25 A provider's RAG rating can change in-year, based on actual delivery, quality, compliance, finance and overall contract performance as follows:
 - 25.1 Green – low to no risk
 - 25.2 Amber – low to medium risk
 - 25.3 Red – high risk

Destination and progression tracking

- 26 NTCA expect all providers to record destination and progression information (including Community Learning) in the defined fields within the ESFA ILR on a monthly basis, whilst limiting 'unknown' destination recording.
- 27 NTCA will use destination and progression data to monitor the impact of agreed programmes to

ensure we are offering the right provision for our residents and employers.

- 28 NTCA may agree to 'pilot' programmes, with limited learner numbers, being delivered by providers. In addition to the usual monitoring, as set out in this PPMR, NTCA will use the destination and progression tracking information to ascertain the success of the programme in terms of impact. Where we feel the impacts are not being met, we reserve the right to review provision and ask the provider to cease delivery.
- 29 All learners must receive a day one outcome that is relevant to their current employment status and although it is not a mandatory requirement, it would be best practice to continue to follow the learner's journey and update ILR records where possible.
- 30 All destination and progression tracking data will be auditable and providers must be able to supply the required evidence to support the destination.

Assurance Monitoring

- 31 Providers must ensure they have systems and processes in place to assure NTCA that funding is being used appropriately.
- 32 In order to gain this assurance, NTCA will undertake regular data compliance checks and carry out a minimum of one assurance visit per AY. NTCA reserve the right to increase or decrease the file sample size and frequency of assurance visits in line with delivery against the PPMR and/ or provider RAG rating.
- 33 The assurance visits will include, but are not limited to:
 - 33.1 ILR submission and data;
 - 33.2 Earnings Adjustment Statement (EAS) submission;
 - 33.3 sample checks of evidence packs/ learner files/ records;
 - 33.4 systems and processes;
 - 33.5 subcontractor and subcontracting arrangements; and/ or
 - 33.6 other contractual requirements.
- 34 In addition to the above and as part of NTCA's compliance, a minimum of 10% sample of providers will be audited by an external audit team.
- 35 Full details of NTCA's assurance policy and processes is available to all providers via NTCA's document sharing platform Egress.
- 36 NTCA use Egress to securely share documentation and data with providers, to request access to this system please speak to your NTCA Officer.

Stakeholder engagement

- 37 NTCA will hold a number of stakeholder meetings across NTCA area to provide a supportive and engaging environment whereby key stakeholders (including providers) can shape, contribute to and take ownership for NTCA AEB provision.

- 38 Stakeholder meetings will provide a forum in which the 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.
- 39 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.

Data submission

- 40 NTCA require providers to submit monthly ILR data to the ESFA by uploading a XML (extensible mark-up language) format to ESFA's secure online portal, 'submit learner data', in line with the ESFA data collection timetable for each AY. Where a provider does not have a system capable of generating an XML file, NTCA will agree the use of the ESFA ILR Learner Entry Tool, which will enable you to create an ILR file for upload to the 'submit learner data' portal. Providers must read ESFA guidance documentation in relation to the use of these tools. Details of ESFA's return dates and NTCA payment dates will be issued in a separate document and uploaded to Egress
- 41 The final data submitted by you through the 'submit learner data' will be the one used by ESFA to produce the funding summary and occupancy reports for NTCA, detailing delivery for that return.
- 42 NTCA will utilise the provider's monthly funding summary and occupancy reports to calculate and monitor a provider's delivery and earnings.
- 43 In exceptional circumstances, special arrangements can be made for the data to be submitted to NTCA in a different format. This will be agreed in advance of the start date of the Agreement and all data will be subject to the same terms and monitoring as set out in these PPMR's.
- 44 Grant funded providers may be required to submit an Earnings Adjustment Statement (EAS). Where this has been agreed and set out in the provider's D&FP, returns must be submitted on a monthly basis. The values claimed will be reconciled with the funding summary and occupancy reports to determine each month's delivery.
- 45 EAS claims can only be made where it is set out and agreed in the provider's D&FP and is valid for:
 - 45.1 Excess learning support
 - 45.2 Prince's Trust
 - 45.3 Learner support

Payments and reconciliation

- 46 NTCA will run monthly 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.
- 47 As part of the contractual arrangements, all providers will be required to complete a separate D&FP for each Agreement setting out profiled funding for all funding lines. This will be agreed by NTCA before becoming part of your final Agreement, however it can be changed in-year.
- 48 The D&FP will be allocated in two funding envelopes spanning two financial years:
 - 48.1 1 August 2023 to 31 March 2024 – periods 1 to 8 of AY 2023-24

48.2 1 April 2024 to 31 July 2024 – periods 9 to 12 of AY 2023-24

- 49 All providers are expected to ensure that there is sufficient funding to maintain delivery for the full AY. Where a provider is expecting to over-deliver against their profiles, NTCA will follow the process for procurement or allocation of funds procedures as detailed in this PPMR.
- 50 Grant Funding Agreements and Contract for Services remain separate with different payment arrangements. If you hold both Agreements, you cannot vie funds between the two.
- 51 Adult Education Budget Agreements and L3 Free Courses for Jobs (FCfJ) Agreements will remain separate with different payment arrangements. If you hold both Agreements, you cannot vie funds between the two.
- 52 NTCA must be notified immediately if there is any possibility of a provider earning in excess or less than the allocation set out in the Agreement for the given year.
- 53 You cannot vie funds between ESFA, other Mayoral Combined Authorities or any other funding streams and NTCA. However, you can use other funding streams to complement PSF if that improves the chances of NTCA resident progressing and/ or achieving a positive outcome.
- 54 NTCA will reconcile the funding at the end of the funding year, based on your final funding claim and evidence you have provided. We will make any necessary adjustments following this, including recovering any overpayments for ineligible delivery or errors identified through audit or monitoring. Where your Agreement is for multiple years, we may reduce your allocation for the following AY to a level that is in line with your 2023-24 performance.
- 55 You will be advised in writing in advance of any in-year changes being made to the value of your Agreement. Any changes will be reflected in an agreed D&FP and will form part of your contractual Agreement. NTCA reserve the right to cease payment should you be in breach of your Agreement.

Contract for Services providers

- 56 Providers with a Contract for Service for the AEB will be paid monthly in arrears based on actual delivery. Actual delivery will be determined by monthly data submissions detailed in the 'data submission' section of this PPMR, paragraphs 40 to 45.
- 57 Earnings will be reconciled each month and any over-payments clawed back the following month. An example of how the payments and reconciliation will work is detailed in table 3 below:

Table 3	Aug 23 R01	Sep 23 R02	Oct 23 R03	Nov 23 R04
Earned	£5,000.00	£4,000.00	-£500.00	£3,000.00
Cumulative	£5,000.00	£9,000.00	£8,500.00	£11,500.00
Paid	£5,000.00	£4,000.00	£0.00	£2,500.00
cumulative	£5,000.00	£9,000.00	£9,000.00	£11,500.00

- 58 If after two periods the provider still owes funds to NTCA, we will raise an invoice against which the funds will be paid by the provider.
- 59 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 Agreement.

- 60 At the end of the Agreement period, following submission of a provider's final ILR return, NTCA will carry out a year-end reconciliation against a provider's allocations.
- 61 NTCA reserves the right to recover any underspend, in full, below the provider's NTCA AY 2023-24 AEB allocations.

Grant funded providers

- 62 Providers with a Grant Funding Agreement will be paid monthly in arrears, based on the agreed latest funding profiles as set out in Schedule 2 Delivery and Funding Plan.
- 63 Where delivery against profile is less than 51% (as set out in the agreed Schedule 2 Delivery and Funding Plan), NTCA reserve the right to recover any overpayments or cease payments until such a time as the debt is paid back. NTCA may also rebase the provider, resulting in a reduced contract value for the remainder of the year. This will be agreed with the provider in advance of any allocation changes.

Grant Funded and Contract for Services providers

- 64 NTCA will direct award a 5% increase on provider final earnings for 19+ Devolved Adult Skills formula funded (only) provision delivered in AY 2023-24. This increase excludes associated learning support and Community Learning.
- 65 This one-off funding payment can be utilised for administrative/ management purposes, in recognition of rising costs and current economic pressures providers are facing.
- 66 Providers who 'under-deliver' against their allocations in AY 2023-24 will still receive the direct award of 5% on actual earnings at the end of each academic year.
- 67 Providers will submit a quote for the 5% increase on their final earnings at the end of academic year 2023-24. After validation, a direct award will be issued as a one-off payment at the end of the academic year. The award will not be applied to monthly earnings.

Allocation growth requests

- 68 NTCA will consider in-year **planned growth** requests where an opportunity has been identified, at times set out in table 4 below. Any planned growth will have been discussed with NTCA prior to any consideration and application for growth. We will not fund unplanned over-delivery. All requests will be subject to funding available and appropriateness of meeting NTCA's strategic priorities as set out in the strategic skills plan. The following principles will be considered for any in-year growth request:
- 68.1 alignment with the strategic skills plan – Opportunity for All;
 - 68.2 alignment with the specification and contract award criteria set out in the Post-16 Skills Framework;
 - 68.3 the provision does not significantly overlap or duplicate existing provision being delivered through this and any other funding stream;
 - 68.4 you have evidence of eligible demand for the learning that meets local priorities and delivers tangible outcomes, (outside of achievement of qualifications or ILP) i.e. achievement of sustainable employment, progression to higher level qualifications or

progression routes for employed residents;

- 68.5 will consult key stakeholders, i.e. Jobcentre Plus (JCP), Local Authorities (LA), as appropriate, to validate provision requested or identify gaps in localities that are not being met by this or any other funding stream;
- 68.6 we will evaluate financial risks and exposure;
- 68.7 RAG rating and performance of the provider for all Lots and contracts being delivered through NTCA funding;
- 68.8 you have a good track record of forecasting and delivery;
- 68.9 you are not under notice for failure of inspection or in serious breach of contract.

Table 4: In-year growth requests application windows		
Return Number & Date	Growth Application Window	Notification of Decision
R04 – 06/12/23	08/12/23 to 15/12/23	22/12/23
R06 – 06/02/2024	09/02/24 to 16/02/24	28/02/24

- 69 Where growth is awarded, the provider and NTCA will agree a new D&FP to reflect the growth, which will be monitored as set out in this PPMR.
- 70 Further information on in-year growth requests will be issued in August 2024 including how to apply.

Devolved AEB Flexibilities

- 71 Devolution of the AEB provides an opportunity to make commissioning decisions on an area focused and forward-looking basis. It enables NTCA to offer flexible provision to meet the needs of residents and businesses and will allow a quick response to changes in the labour market whilst supporting residents who may need additional support to access learning or employment.
- 72 NTCA can make full use of the freedoms and flexibilities afforded by devolution in relation to its funding rules, rates, and eligibility criteria.
- 73 NTCA will consider flexibility requests at any time throughout the AY. All requests will be subject to appropriateness of meeting NTCA’s strategic priorities as set out in NTCA’s strategic skills plan - Opportunity for All. The following principles will be considered for flexibility requests:
 - 73.1 alignment with NTCA’s strategic skills plan – Opportunity for All;
 - 73.2 alignment with the specification and contract award criteria set out in the Post-16 Skills Framework;
 - 73.3 you provide sufficient evidence of need for the flexibility and have exhausted all other options in relation to different qualification requests.

Financial Due Diligence

74 NTCA will undertake a financial review of providers on an annual basis. NTCA does not intend to publish the results of its internal financial review as its purpose is to inform the overall financial stability of the provider. Additional information about your risk rating can be provided, on request

Financial irregularity

75 NTCA will pass on any allegations of suspected fraud and/ or financial irregularity which comes to light, to the appropriate authorities to determine the appropriate actions, including where a provider has (or is suspected of having):

75.1 Claimed funding from NTCA through deception;

75.2 Broken the Funding Rules;

75.3 Not delivered education and/ or training funded by NTCA; and/ or

75.4 Taken part in corruption (the offering, promising, giving, requesting, receiving or agreeing to accept an inducement or reward (which may influence a person to act against the interests of NTCA)) and bribery.

76 Where the appropriate authorities determine that there is enough information to investigate the allegation, the provider will be placed in early intervention while the investigation is ongoing.

77 The ESFA and other funding agencies will be informed of allegations that affect their funding streams.

Section 2: Quality assurance and raising standards

78 NTCA will have the right upon reasonable notice and at reasonable times to audit the provider's quality management/assurance systems and processes to which the Funding Agreement/Contract refers, including examining and inspecting services and activities on or off the premises owned or occupied by the provider to establish the adequacy or accuracy of the quality management system documentation. The provider will use all reasonable endeavours to assist NTCA in such exercise.

79 The provider must comply with the Funding Rules published by NTCA and any other requirements which may be issued by NTCA, Inspectorates, Awarding Body Organisations and other Regulatory Bodies.

80 The provider has primary responsibility for improving standards and will need to demonstrate that it has effective quality assurance systems in place that satisfy the requirements of NTCA and Ofsted through the Education Inspection Framework.

<https://www.gov.uk/government/publications/education-inspection-framework>

81 The provider must use all reasonable endeavours to:

81.1 Minimise drop-out rates and deliver high completion and achievement rates and appropriate progression;

81.2 offer equality of access to learning opportunities and close equality gaps in learning and

outcomes;

81.3 provide good management and leadership of the learning process;

81.4 deliver value for money and financial probity; and

81.5 ensure all subcontractors delivering services under the Agreement on behalf of the company with the requirements set out above.

82 NTCA can request any Awarding Body reports, assessments and notices from the provider at any time. The provider must notify NTCA immediately in writing if it receives any sanction from an Awarding Body. In addition, providers will also be required to:

82.1 Inform NTCA if irregular financial or delivery activity arises. Irregular activity could include, but is not limited to:

82.1.1 non-delivery when funds have been paid;

82.1.2 an inadequate Ofsted grade;

82.1.3 complaints or allegations by learners; or

82.1.4 allegations of fraud.

83 Providers will be required to co-operate with NTCA to ensure there is continuity of learning if the Funding Agreement/ Contract ends for any reason.

Quality Monitoring

84 NTCA will monitor the quality and performance of the provider's provision. Each provider will be allocated a named contact responsible for managing the individual funding agreement/ contract.

85 Quality monitoring will include but is not limited to:

85.1 contract clarification meeting at the commencement of the programme;

85.2 monitoring of starts, attendance, retention and achievement;

85.3 ongoing dialogue to obtain qualitative feedback and address any issues identified throughout the duration of the delivery, including addressing any matters identified in quality audit action plans or visits;

85.4 assessment of the suitability of the venues for the learning programmes;

85.5 quality audits;

85.6 gathering of learner, partner and employer feedback;

85.7 review of quality systems, policies and procedures including mandatory regulations; and/or

85.8 review of self-assessment and improvement planning arrangements.

86 NTCA will operate a risk-based performance management approach. If a provider is identified as underperforming and/or delivering unsatisfactory quality provision, NTCA will introduce

appropriate intervention measures. These measures may include an increase in the frequency and depth of monitoring and/or the completion of an action plan to address the areas of underperformance. If the quality of the provision does not improve after intervention, the contract and funding may be suspended and contract terminated.

Teaching Staff

87 All providers are required to appoint teaching staff/ tutors according to recruitment and selection procedures which should demonstrate good equal opportunities practice in line with the Equalities Act 2020. All tutors delivering programmes to vulnerable adults must have DBS clearance. Tutors must have appropriate teaching and subject qualifications. Tutor CVs and training records should be retained by the provider and available for scrutiny by NTCA.

Data Quality

88 Where NTCA is concerned about the quality of the data, including the completeness or accuracy of the data provided, NTCA may require the provider to supply data more frequently for such a period as NTCA require.

89 NTCA reserves the right to suspend payments to providers under this agreement where data quality gives rise to concern about the accuracy/ validity of the data provided.

Ofsted

90 Provider's must inform NTCA of any Ofsted inspection of provision that is part of their NTCA Agreement or Contract.

91 Where Ofsted has graded the overall provision or any sub-judgements as 'inadequate', NTCA may, in its absolute discretion take one or more of the following actions:

91.1 require the provider to accept and comply with additional contract obligations relating to the improvement of the services assessed as inadequate; and/ or

91.2 impose additional funding conditions; and/ or

91.3 require the provider to cap or suspend the recruitment of learners; and/ or

91.4 require a provider to stop working with new learners via a subcontracting arrangement with another main provider or employer-provider; and/ or

91.5 require the provider to inform all of their existing main providers or employer-providers about the outcome of the Inspectorate visit; and/ or

91.6 give consideration to the services which are assessed as inadequate in its allocations when finalising the amount of funding in any subsequent contract between the parties; and/ or

91.7 reduce, suspend or recover payment to the provider in respect of that part of the services assessed as inadequate; and/ or

91.8 terminate the Agreement in accordance with Clause D1 (Termination).

92 Where learners may be at immediate risk on the grounds of safeguarding issues, NTCA may, in its absolute discretion, terminate the Agreement in accordance with Clause D1 (Termination).

- 93 Where NTCA is made aware that Ofsted has assessed a subcontractor to the provider as having made 'insufficient progress' during their programme of monitoring visits, the provider may be required to ensure that the subcontractor suspends the recruitment of learners until further notice.
- 94 The failure of the provider, as assessed by NTCA, to comply with any requirements of NTCA within such time as NTCA may deem reasonable, may lead to NTCA taking such actions as it deems appropriate which may include, but is not limited to, terminating the Agreement in accordance with Clause D1 (Termination).
- 95 NTCA will take action based on the Inspectorate's provisional and confirmed outcomes. Where NTCA is made aware that the provider has made a complaint about the graded outcome of the overall assessment by Ofsted, NTCA will continue to progress action but will be mindful of the implications arising from the outcome of a complaint. NTCA will review any decisions made at such time as outcomes of any complaint are made known.
- 96 If an Inspectorate rating is given based on incorrect or fraudulent information or data from the provider this will constitute a breach and NTCA may, at its sole discretion, terminate the Agreement.

Section 3: Audit

- 97 Audits can be undertaken by NTCA (or its agents, including the ESFA) for the following purposes:
- 97.1 to establish that the provider has used the funding (and proposed or actual variations to the funding in accordance with the Agreement) in the delivery of the services and/ or the costs of all provider (including subcontractors) of the services;
 - 97.2 to verify the provider's claims for funding;
 - 97.3 to review the integrity, confidentiality and security of the provider's data as well as NTCA's access to the data;
 - 97.4 to review the provider's and/ or a provider related party's (compliance with the UK GDPR, DPA 2018 and FOIA in accordance with Clauses F2 (Data Protection), F3 (Freedom of Information) and F4 (Confidentiality));
 - 97.5 and any other law applicable to the services;
 - 97.6 to carry out the audit and certification of the provider's accounts;
 - 97.7 to verify the accuracy and completeness of any management information delivered or required by the Agreement;
 - 97.8 to ensure that the provider and/ or a provider related party is complying with NTCA policies and any British standards; and/ or
 - 97.9 any other audit that may be required by the ESFA, Ofsted or any inspectorate, such audits may be based on current or preceding years or preceding contracts.
- 98 NTCA will use its reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the provider or delay the provision of the services.
- 99 Subject to NTCA's obligations of confidentiality, the provider and/ or a provider related party must, on demand, provide NTCA (and/ or its agents or representatives) with all reasonable co-operation and assistance in relation to each audit, including:

- 99.1 all information requested by NTCA within the permitted scope of the audit;
 - 99.2 reasonable access to any premises and any equipment used (whether exclusively or non-exclusively) in the performance of the services;
 - 99.3 access to the provider's and/ or a provider related party's system; and
 - 99.4 access to provider personnel.
- 100 The provider will implement all measurement and monitoring tools and procedures necessary to measure and report on the provider's (including for the avoidance of doubt a provider related party's) performance of the services.
- 101 NTCA will endeavour to (but is not obligated to) provide at least ten working days' notice of its intention to conduct an audit. NTCA may carry out audit visits with or without prior notice at its discretion.
- 102 If the findings of an audit conducted pursuant to this clause results in the requirement for ILR data to be corrected and resubmitted, the provider must resubmit the data to NTCA within two months.
- 103 If NTCA identifies that the provider has failed to perform its obligations under the Agreement in any material manner, without prejudice to any other remedy that NTCA has, the parties will agree and implement a remedial plan. If the provider's failure relates to a failure to provide any information to NTCA about the funding, proposed funding or the provider's costs, then the remedial plan will include a requirement for the provision of all such information.

Annex 2:

Performance Management of the Level 3 Free Courses for Job (FCfJ)

Applicable to Providers with a Grant Funding Agreement/ Contract for Service for Level 3 FCfJ in Lot 2

Section 1: Performance Management

1. Annex 2 sets out the principles by which we will manage your performance and funding for **Level 3 FCfJ**. It should be read in conjunction with NTCA Funding Rules, the full terms and conditions as set out within the Grant Funding Agreement or Contract for Services (the 'Agreement') for Level 3 FCfJ. NTCA will apply our principles of performance management consistently to all Providers.
2. It is important that you read and understand this document alongside your Grant Funding Agreement or Contract for Services. It should also be read alongside the ILR specification, validation rules and appendices for AY 2023-24, ESFA provider support manual 2023-24, and any other relevant documents referred to in those documents. The Performance Rules form part of your Agreement with NTCA and applies whether you are in receipt of a Grant Funding Agreement or a Contract for Services. You must operate within the terms and conditions as set out, failure to do so could result in a breach of your Agreement with NTCA.
3. All providers, whether they have funding allocations through a Grant Funding Agreement or Contract for Services, will have submitted an agreed delivery and funding schedule (D&FS) for the full AY, which will reconcile to the total value of the Agreement. The D&FS will provide the vehicle upon which the provider's performance will be monitored and includes estimates of volumes, mix of provision, outcomes, progressions and spending across the full range of Level 3 FCfJ provision you expect to deliver.
4. The Provider Performance Management Rules (PPMR) is a risk-based approach focused on the value of the Agreement, quality of provision, contract compliance, data submissions, overall progress against your monthly payment profile, financial resilience and audit and assurance. This approach will apply to all providers in receipt of Level 3 Free Courses for Job Funding (FCfJ).
5. NTCA will monitor your performance on a regular basis throughout the period of your Funding Agreement/ Contract, through a combination of desk-top reviews and full monitoring visits, set out in table 1. The review will consider both provision which is delivered directly by the provider and provision which is delivered indirectly through a third-party delivery agreement. The prime providers is accountable for all delivery.
6. The purpose of the performance monitoring is to:
 - 6.1 Understand what providers have delivered and claimed from NTCA and how this compares with profiles set out in the D&FS, including profiled outcomes and supply chain management.
 - 6.2 Understand areas of delivery, supply and demand, to ensure alignment with priorities as

set out in NTCA's Skill Plan: Opportunity for All.

- 6.3 Understand how the programme is performing as a whole and inform full delivery across the AY.
- 6.4 Identify potential issues and risks at the earliest opportunity, e.g. data inaccuracy and/ or timeliness of submissions and under/ over-delivery, so that appropriate support and intervention may be put in place.

Table 1: Key monitoring points and business cycle – Level 3 FCfJ Grant/ Contract for Services AY 2023-24		
Month	Business Cycle Activity	Overall Contract Monitoring
August 2023 to November 2023 R04 Collection Date: 6 December 2023	Delivery begins R01-R04 ILR returns R04 Growth Request Application Window open (08/12/23 to 15/12/23)	Full monitoring visit following R04 return (held in December) – to ensure delivery has begun and assess whether any reprofiling is necessary Applications for Growth considered Notification of Decision: January 2024
December 2023 to January 2023 R06 Collection Date: 6 February 2024	R04-R06 ILR returns Funding forecast outturn – R06	Full monitoring visits based on R06 ILR return (held in February) Reconciliation and reprofile.
February 2023 to April 2023 R09 Collection Date: 7 May 2024	R06 – R09 ILR returns Funding forecast outturn – R09	Full monitoring visit based on R09 ILR return (held in May) Reconciliation and reprofile
May 2023 to July 2023 R12 Collection Date: 6 August 2024	2023-24 R12 Provider year end reconciliation	Full year-end performance review Full reconciliation
August 2023 to October 2023 Final Year-End Collection Date: 17 October 2024	2023-24 R13,14 Reconciliation of all achievements, learner withdrawals, completions	Full year-end performance and financial reconciliation

7. At each monitoring point, if a provider is unlikely to meet their overall delivery and funding targets, NTCA reserves the right to recover any underspend and rebase the Contract value for the

remaining months of the AY.

8. 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	Monitoring discussion
Individualised Learner Record (ILR) data returns	The timeliness and accuracy of ILR data related to NTCA residents.
Monitoring Points as above	Performance against the Contract as shown at key points throughout the AY and whether the total funding value should be adjusted to better reflect the level of performance.
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 PSF and where improvement action is required.
Audit	The outcome of any audit processes or reports, including where findings are qualified or require management action.
Participant feedback and complaints	Information applicable to investigate a complaint raised by a learner.
Other	Any other information applicable to determine the level of risk associated with delivering the Contract e.g. resident complaints, whistleblowing cases.

9. NTCA reserves the right to increase or decrease the number of key monitoring points it operates.
10. If at any of the monitoring points, NTCA identifies an underspend against the Contract value, NTCA may offer the reallocate funds to other providers. 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.
11. Where a provider or college operates as a group, the Agreement is held with the legal entity for the group. NTCA will agree the arrangements for performance monitoring meetings with the provider to ensure that there is the scope for discussion about provision for NTCA residents, as well as the group management of the Agreement.

Intervention

Informal intervention

12. NTCA Contract Managers will work with providers to ensure that provision funded by NTCA is of a high quality and that providers maintain financial stability. A provider will be deemed as going into informal intervention where performance or financial issues have been identified. NTCA will work with the provider, so they have the opportunity to make improvements, so that the final delivery is in line with the Agreement.
13. NTCA will expect the intervention to be proportional to the scale of the specific issue(s) identified, for example, a time limited action plan with appropriate actions, measures and milestones and/ or increased monitoring and additional information to ensure actions are being taken effectively and on a timely basis.
14. If the informal intervention does not adequately resolve the issue within the planned timescales and to the satisfaction of NTCA, the Authority may opt to either extend the timescales within which the matter must be resolved or escalate the matter for formal intervention.

Formal intervention

15. A provider may enter formal intervention when indicators evidence a risk to the viability of NTCA Agreement. This could include the following circumstances:
16. Attempts to resolve the matter through informal intervention have not been successful within a reasonable timeframe.
17. The issue identified is considered by the Authority to be sufficiently significant to be dealt with formally rather than informally. This could include, but is not limited to:
 - 17.1 NTCA or ESFA Financial Health assessment determines that the provider's financial health is 'red'/ 'inadequate' or risks declining into 'red'/ 'inadequate' in the future and/ or the provider's financial information shows that the provider may not be able to meet liabilities in the future;
 - 17.2 an Ofsted inspection judges the provider as 'inadequate' in any areas of the inspection;
 - 17.3 a subsequent Ofsted monitoring visit judges the provider as making 'insufficient progress';
 - 17.4 continual poor quality data returns and/ or a measurable decline in performance management data;
 - 17.5 a qualified opinion resulting from a funding audit;
 - 17.6 a financial irregularity investigation produces evidence to support suspicion or allegations of fraud.
18. If formal intervention is required, NTCA will initiate specific conditions which the provider will be required to satisfy. Providers will be required to set out in a SMART action plan and must be submitted to their nominated Officer in a timely manner. The action plan must include a range of activities to remedy or mitigate further consequences to secure rapid improvement. These conditions will be set out formally during a formal intervention meeting and therefore become contractual obligations.

19. If the conditions are not addressed to the satisfaction of NTCA, this will be considered to be either a minor or serious breach of the Agreement and we may respond in a number of ways, including, though not limited to:

- extending the deadline by which the condition must be satisfied. This will only be done where there is clear evidence of progress and we are satisfied that the issue will be fully resolved given additional time;
- reducing the provider's allocation (and therefore reprofiling);
- withdrawing any future allocation;
- withdrawing eligibility for growth funding;
- temporary or permanent suspension of recruitment and/ or delivery, either across the whole of the Contract or in specific areas of concern;
- temporary or permanent suspension of payment, either across the whole of the Agreement or in specific areas of concern;
- commissioning a formal investigation of the provider;
- commissioning an audit of the provider;
- repayment of funding already paid to the provider, either across the whole of the Agreement or in part across specific areas of concern;
- referral to partner agencies e.g. ESFA, FE Commissioner or Ofsted;
- termination of the Agreement

20. We expect the provider to make every effort to work with NTCA to resolve emerging issues in a timely and satisfactory manner before such measures above become necessary.

21. Where serious breaches occur, e.g. safeguarding issues, incidents of fraud or financial irregularities, NTCA reserve the right to terminate the Agreement without notice with immediate effect.

National intervention

22. Where the provider is also subject to intervention by the ESFA through the national oversight arrangements, NTCA will work with the ESFA and FE Commissioner to ensure that action to improve performance is complementary.

23. The Contract Manger will review the information provided and discuss actions directly with the provider, providing supplementary actions if necessary. NTCA reserve the right to implement one or more of the following actions:

- 23.1 request additional data and/ or reports as required, including but not limited to, for example, ILR data returns, monthly management accounts and financial information, reports submitted to the provider's senior management team, risk plan, audit reports;

- 23.2 request the provider's SAR and QIP, including implementation updates;
 - 23.3 impose additional performance monitoring reviews; and/ or
 - 23.4 request information on planned strategic developments, including but not limited to, federation or merger arrangements with other colleges or training organisations.
24. The national ESFA policies and guidance about the oversight of providers are published on the Gov.UK website:
- 24.1 For colleges: <https://www.gov.uk/government/publications/college-oversight-support-and-intervention>.
 - 24.2 For independent training providers: <https://www.gov.uk/government/publications/how-esfa-maintains-oversight-of-independent-training-providers-itps>.

Exiting formal intervention

25. The provider will remain in formal intervention until all conditions have been rectified and NTCA are satisfied that all contractual arrangements can be achieved, and/ or:
- 25.1 NTCA financial health assessment indicates that the provider's financial health is rated as 'Amber' or above or 'Good' or above; and/ or
 - 25.2 The provider is no longer at risk of insolvency, as confirmed by the appointed education administrator.
 - 25.3 All audit, assurance, fraud and investigations are satisfactorily implemented and the provider complies with NTCA's audit and assurance requirements

Performance Reviews

26. The 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' Funding Agreement/Contracts. Other specialist NTCA staff may be involved in the performance review meetings where relevant.
27. The purpose of the performance reviews is to formally examine, with providers, the performance against the Funding Agreement/Contract. All relevant aspects of performance will be assessed against contractual requirements and outcomes. The frequency of performance reviews is set out in Table 1 but may be increased.
28. The performance review visits will focus on the ongoing achievement of performance levels. This will include, but will not be restricted to:
- 25.1 arising from previous performance reviews;
 - 25.2 actual performance against the Contract as reported in the ILR and EAS;
 - 25.3 expected future performance;
 - 25.4 review of action plan (where applicable);
 - 25.5 subcontractor and supply chain performance;

- 25.6 ability to respond to NTCA's strategic skills priorities;
- 25.7 Ofsted inspection results; and/ or
- 25.8 Financial control.

Destination and progression tracking

- 29. NTCA expect all providers to record destination and progression information (including Community Learning) in the defined fields within the ESFA ILR on a monthly basis, whilst limiting 'unknown' destination recording.
- 30. NTCA will use destination and progression data from ILR and other methods to monitor the impact of agreed programmes to ensure we are offering the right provision for our residents and employers.
- 31. All learners must receive a day one outcome that is relevant to their current employment status, this is a mandatory field in the ILR.

Assurance Monitoring

- 32. Providers must ensure they have systems and processes in place to assure NTCA that funding is being used appropriately.
- 33. NTCA will undertake a monthly desk top audit of the data to ensure compliance and ensure delivery is meeting NTCA strategic priorities.
- 34. The assurance visits will include, but are not limited to:
 - 30.1 submission and data;
 - 30.2 Earnings Adjustment Statement (EAS) submission;
 - 30.3 sample checks of evidence packs/ learner files/ records;
 - 30.4 systems and processes;
 - 30.5 subcontractor and subcontracting arrangements; and/ or
 - 30.6 other contractual requirements.
- 35. In addition to the above and as part of NTCA's compliance, a sample of providers will be audited by an external audit team.
- 36. Full details of NTCA's assurance policy and processes is available to all providers via NTCA's document sharing platform Egress.
- 37. NTCA use Egress to securely share documentation and data with providers.

Stakeholder Engagement

38. NTCA will hold a number of stakeholder meetings across NTCA area to provide a supportive and engaging environment whereby key stakeholders (including providers) can shape, contribute to and take ownership for NTCA AEB provision.
39. Stakeholder meetings will provide a forum in which the 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.
40. 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.

Data submission

41. NTCA require providers to submit monthly ILR data to the ESFA by uploading a XML (extensible mark-up language) format to ESFA's secure online portal, 'submit learner data', in line with the ESFA data collection timetable for each AY. Where a provider does not have a system capable of generating an XML file, NTCA will agree the use of the ESFA ILR Learner Entry Tool, which will enable you to create an ILR file for upload to the 'submit learner data' portal. Providers must read ESFA guidance documentation in relation to the use of these tools. Details of ESFA's return dates and NTCA payment dates will be issued in a separate document and uploaded to Egress
42. The final data submitted by you through the 'submit learner data' will be the one used by ESFA to produce the funding summary and occupancy reports for NTCA, detailing delivery for that return.
43. NTCA will utilise the provider's monthly funding summary and occupancy reports to calculate and monitor a provider's delivery and earnings.
44. In exceptional circumstances, special arrangements can be made for the data to be submitted to NTCA in a different format. This will be agreed in advance of the start date of the Agreement and all data will be subject to the same terms and monitoring as set out in these PPMR's.
45. Grant funded providers will be required to submit an Earnings Adjustment Statement (EAS). The values claimed will be reconciled with the funding summary and occupancy reports to determine each month's delivery.
48. EAS claims can only be made where it is set out and agreed in the provider's Contract and is valid for Learner support.

FCfJ Payments and Reconciliation

49. Providers with a FCfJ Grant Funding Agreement/ Contract for Service will be paid monthly in arrears, based on actual delivery. Actual delivery will be determined by monthly data submissions detailed in the 'data submission' section of this PPMR, paragraphs 41 to 48.
50. Earnings will be reconciled each month and any over-payments clawed back the following month.
51. If after two periods the provider still owes funds to NTCA, we will raise an invoice against which the funds will be paid by the provider.
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 Agreement.

- 53 At the end of the Agreement period, following submission of a provider's final ILR return, NTCA will carry out a year-end reconciliation against a provider's allocations.
- 54 NTCA reserves the right to recover any underspend, in full, below the provider's NTCA AY 2023-24 FCfJ allocation.

Financial irregularity

- 55 NTCA will pass on any allegations of suspected fraud and/ or financial irregularity which comes to light, to the appropriate authorities to determine the appropriate actions, including where a provider has (or is suspected of having):
- claimed funding from NTCA through deception;
 - broken the Funding Rules;
 - not delivered education and/or training funded by NTCA; and/or
 - taken part in corruption (the offering, promising, giving, requesting, receiving or agreeing to accept an inducement or reward (which may influence a person to act against the interests of NTCA) and bribery.
- 56 Where the appropriate authorities determine that there is enough information to investigate the allegation, the provider will be placed in early intervention while the investigation is ongoing.
- 57 The ESFA and other funding agencies will be informed of allegations that affect their funding streams.

Quality Assurance and Audit

- 58 Providers with a FCfJ Funding Agreement/ Contract for Services must refer to **Sections 2 and 3 of this document** for Quality Assurance and Audit arrangements in relation to NTCA funded FCfJ programmes.

LIST OF ABBREVIATIONS

AEB	Adult Education Budget
AY	Academic Year
D&FP	Delivery and Funding Plan
DfE	Department for Education
ESFA	Education and Skills Funding Agency
FCfJ	FCfJ
FE	Further Education
FMR	Funding Management Rules
GLA	Greater London Authority
ILR	Individualised Learner Record
ITP	Independent Training Provider
LA	Local Authority
MCA	Mayoral Combined Authority
MoU	Memorandum of Understanding
NTCA	North of Tyne Combined Authority
Ofsted	Office for Standards in Education
PPMR	Payment and Performance Management Rules
PSF	Post-16 Skills Framework
SSG	Skills for Sector Growth
SSW	Sector Skills for the Workforce
UKSPF	UK Shared Prosperity Fund