

Managing Provider Performance

GLA Adult Skills Fund grant-funded provision monitoring and intervention policy 2024-25 for independent training providers.

COPYRIGHT

Greater London Authority
August 2024

Published by
Greater London Authority
City Hall
Kamal Chunchie Way
London E16 1ZE

enquiries 020 7983 4000
minicom 020 7983 4458

Photographs ©

Copies of this report are available
from www.london.gov.uk

Issue date	August 2024 v3
Amendments made from previous version	Refer to 'What's New' table
Review date	April 2025
Senior owner	Chris Wright, Head of Programme Delivery, Skills and Employment
Document owner	Jeannette Langi, Principal Project Officer, Skills and Employment

CONTENTS

Adult Skills Fund monitoring and intervention policy for ITPs	2
Introduction	2
Understanding the terminology	4
Performance Management	4
Intervention process	9
Active support	9
Intervention	10
Termination	11
Appendix 1	13

Adult Skills Fund monitoring and intervention policy for ITPs

Introduction

1. Since the Adult Skills Fund (ASF), formerly known as the Adult Education Budget was delegated to the Greater London Authority (GLA), the breadth of independent training providers (ITPs) with access to ASF programme funding has significantly increased. Consequently, the GLA has decided that a tailored approach is needed to monitor ITP's performance for quality and financial stability.
 2. This document sets out the process for intervening when ITP performance or financial resilience is below agreed levels. The document details the quality requirements expected of grant funded ITPs and is an adjunct to the ASF Grant Funding and Performance Management Rules, this document and their funding agreement and any other guidance issued by the GLA.
 3. We periodically update this policy document to ensure it aligns with GLA performance and measurement requirements, alongside national policy requirements. All revisions will be summarised in version updates.
 4. The GLA also manages delegated Skills Bootcamps provision delivered by ITPs. This policy document is applicable to all providers contracted to deliver Skills Bootcamps.
 5. This policy document is primarily for ITPs that have a secured a conditions of funding (grant) agreement (the funding agreement) with the GLA. These included:
 - Independent training providers
 - Independent specialist providers
 - Subcontractors to independent learning providers and independent specialist providers
 6. The document may also be of interest to:
 - Learners who want to understand how the GLA monitors and manages provider performance
 - The Department for Education (DfE)
-

- The Education and skills Funding Agency (ESFA)
- Office for Standards in Education, Children's Services and Skills (Ofsted)
- Further Education (FE) Commissioner
- Mayoral Combined Authorities (MCAs) and
- Other education and training providers

7. If you are a learner who wishes to provide feedback on your education/ training, please refer to the information available at <https://www.london.gov.uk/programmes-strategies/jobs-and-skills/training-providers-teaching-skills/adult-education-budget> on how to share your views with the GLA

What's New?

If you have any questions after reading this document, or if there's anything else you need help with, you can speak to your provider manager or find additional support via ASF@london.gov.uk.

Section	Change
All	<p>From the start of 2024-25 academic year the GLA will implement a new adult education funding model. This will be broadly aligned with the national modal following the funding reform.</p> <p>What is currently known as the Adult Education Budget will from August 2024 be known as the Adult Skills Fund</p> <p>To reflect this change all references to AEB have been changed to ASF.</p>
Update of email contact	ASF@london.gov.uk .

Future changes

8. Following the Skills and Post-16 Education Bill and the reforms set out in the Skills for Jobs white paper, the DfE provided updated national arrangements for intervention and support in the skills sector. To ensure this guidance continues to support the delivery of Skills for Londoners Roadmap, we are committed to considering the national arrangements when developing future approaches to managing provider performance to support a positive impact on outcomes for Londoners. Details of these changes will be included in future versions of this document.

Understanding the terminology

9. OPS is the GLA Open Project System an online management information system or any successor system and/ or any other system which performs any of the same functions and which GLA notifies to the Body from time to time.
10. Funding agreement means the conditions of funding, the attached appendices to the conditions of funding and any documents or parts thereof, policies or guidance specified in this agreement and any variation to the agreement accepted by the GLA and OPS (as the same may be amended, added to, supplemented, substituted or varied in accordance with the terms of this agreement).
11. Delivery year refers to the period from 01 August to 31 July.

Performance Management

Role of the GLA provider manager

12. Each independent training provider will have a named provider manager that will work with a portfolio of providers as a first point of contact undertaking ongoing and proactive management, monitoring for support, queries and performance management. Provider managers will monitor providers through the lifetime of the funding agreement. Termly meetings will be hosted with providers for delivery updates. For a complete picture of the GLA's performance management approach, this document should be read alongside the GLA ASF Grant Funding and Performance Management Rules and funding agreements.
13. The GLA respects the dignity of all employees and values the contribution they make. The GLA has a zero-tolerance approach to all forms of bullying, harassment, discrimination and victimisation and is committed to providing a working environment that is open, inclusive and where everyone is treated with respect. As such, the GL expects organisations holding a funding agreement with the GLA, to always treat its staff, including provider managers with respect.
14. Where a provider is also in receipt of GLA Skills Bootcamps funding the GLA ASF and Skills Bootcamps teams will share intelligence in relation to provider performance and risk. Skills Bootcamps provider should refer to the Skills Bootcamps Delivery Handbook for the approach to performance management on that programme.
15. Where a risk or issue relates to a single funding stream the provider manager for the relevant funding stream will lead on the GLA response. And where the risk or issue relates to both programmes, both provider managers will liaise to form a joint approach on interventions and risks associated with learning provision.

Monitoring delivery

16. Provider managers will work collaboratively with providers to support them in delivering learning provision as set out in their funding agreement and delivery plan. Provider managers will monitor performance to assess risks associated with funding and/ or performance. Where risk of underperformance is identified provider managers will take action to improve performance or prevent further decline in performance.
17. If a provider is not currently in receipt of GLA ASF funding and is successful in a competitive grant award or procurement process their provider manager will arrange an in-person gateway visit prior to the commencement of their funding. This is to ensure that the provider is ready to start delivery and that all the conditions of their funding agreement have been met, including presenting copies of policy documents as set out in their funding agreement.
18. All ITPs may be subject to a funding audit by the GLA in respect of funds received. On completion of a funding audit providers will be informed of the audit outcome. An opinion or conclusion is dependent on the error rate in the respective original sample (i.e., the monetary value of funding errors in the respective original sample as a percentage of the monetary value of the respective original sample). An error rate above 5% is considered unsatisfactory and improvement action will be required.

Monitoring delivery timetable

19. Termly meetings with providers will take place in the Autumn, Spring and Summer terms of a college academic year. And monthly ILR returns (individual learner records) will form the basis of discussions on performance.
20. Provider managers will present information and discuss performance based on the information shared by providers and the monthly data monitoring returns. A draft agenda will be shared in advance of a formal meeting to facilitate an informed discussion. Where appropriate the GLA may share performance data with providers in advance of termly meetings.

Table 2 – Monitoring information

Information	Monitoring discussion around ASF
Individualised Learner Record (ILR) data returns	<p>The timeliness and accuracy of ILR data related to London residents studying ASF.</p> <p>We send communication to providers in-year to ensure data errors are corrected before the R14 ILR Final data return. This return is a 'hard close', after which ILR data cannot be changed.</p>
Funding claims	<p>Performance against funding agreement as shown in the mid-year, year-end and final claims, and whether the total funding value should be adjusted to better reflect the level of performance.</p>
Ofsted full inspection/ monitoring visit	<p>The outcome of a recent inspection/ monitoring visit and the quality improvement actions that the provider is implementing to improve on the grade/ judgement awarded</p>
Initiative and other skills funding	<p>The progress with the delivery of any initiative or growth funding allocated in addition to the grant funding allocation and other funding streams (e.g. Free Courses for Jobs)</p>
Financial health assessments	<p>The outcome of any review of the financial performance information where there are risks to the delivery of ASF and improvement action is required.</p>
Funding audits and fraud investigations	<p>Satisfactory opinion – monitor implementation of action plan recommendations to address any weaknesses identified during the funding audit.</p> <p>Unsatisfactory opinion – monitor implementation of action plan recommendations to address all or some of the contractual requirements attached to the underlying data supporting the funding claimed.</p> <p>Upheld investigations regarding financial management, governance. - and/ or fraud.</p>

Information	Monitoring discussion around ASF
Subcontracting plan and checklist	Progress with the delivery of the ASF subcontracting plan and any risks/ issues with performance/ subcontracting arrangements.
Participant feedback and complaints	Information required to investigate a complaint raised by a learner.
London Learner Survey	Baseline survey completion rates and actions taken by the provider to increase completion rates among funded learners.
Other	Any other information applicable to determine the level of risk associated with delivering the contract.

21. Where it appears that a provider is unlikely to utilise its overall funding allocation, the GLA reserves the right to reduce that allocation in line with their projected performance.

22. All Skills funded providers must submit copies of their organisations policy documents on request by the GLA. These may be requested at the providers first meeting of the academic year or at an onboarding gateway visit for new Skills funded programmes. The list includes the following however, some may exist as standalone policies or combined in a single policy document based upon provider discretion:

- Equality and diversity policy
- Sustainability policy
- Health and safety policy
- Safeguarding policy
- Data protection policy
- Learner complaints and whistleblowing policy
- Grievance and disciplinary policy
- Modern slavery policy (where applicable)
- Centre approval status (where applicable)

23. A request for these policies will be made annually for the duration of the funding agreement. Providers are expected to review and/ or make changes to their policies in line with current legislation or complete an annual review to ensure they are up to date, working and compliant with best practices.
24. Providers must note the provisions set out in their funding agreement around the GLA's expectations regarding the quality of delivery and activities that may be considered as either a minor or serious breach of contract. With reasonable effort:
- To ensure competent and appropriately qualified staff deliver and assess learning
 - To offer equality of access to learning opportunities and close equality gaps in learning and outcomes
 - To provide a safe, healthy and supportive environment that meets the needs of Londoners.

Matrix Standard

25. New providers should work towards achieving their matrix Standard accreditation within their first year of funded delivery. If one of the main objectives of provision is to deliver information and advice, matrix Standard accreditation should be achieved in the first funding year. Subcontractors that have been engaged to deliver advice and guidance must also achieve the matrix Standard accreditation in the
26. A revised matrix Standard was launched in May 2023. We expect new providers to be assessed against the revised Standard and for providers who currently hold the matrix Standard to transition to the revised Standard when their next three-year assessment becomes due, which should be before the end of 2026.

Working with other agencies

27. The Skills and Employment delivery team, work with partner agencies under a memorandum of understanding, following the delegation of the Adult Education Budget to the Mayor of London and other service level agreements, to maintain oversight of AEB programme delivery for London residents, these include:
- The DfE/ ESFA: some providers secure funding from both the GLA and the ESFA. The GLA will share data and intelligence with members of the ESFA's territorial and case management team regarding performance and/ or financial resilience to ensure that any measures agreed to correct underperformance do not have unintended consequences for the ESFA or vice versa. The ESFA will also share this information with the FE Commissioner. Providers are expected to notify the GLA if they enter intervention measures with the ESFA.

- While the GLA and ESFA share intelligence between them regarding provider performance and/ or risks, the GLA will not act to impose measures that correct underperformance associated with the ESFA contract. GLA provider managers will only initiate intervention measures where evidence indicates a risk to the viability of the GLA funding agreement.
- Mayoral combined authorities (MCAs): providers may also be in receipt of devolved funding from MCAs. Providers are expected to inform the GLA if they enter intervention measure with any MCA.
- The Office for Standards in Education, Children's Services and Skills (Ofsted): GLA ASF funded provision is in scope for inspection by Ofsted (including subcontracted provision). Providers must inform the GLA once Ofsted has confirmed the date of a full inspection visit and invite their provider manager to attend the feedback meeting. Provider managers will review the Ofsted report and discuss any actions required to improve quality. Where Ofsted has graded an ITP as requires improvement a provider will give the GLA a copy of its self-assessment report, quality improvement activity and any other relevant information while honouring set time frames specified by Ofsted.

28. The GLA reserves the right to discuss provider performance and/or financial stability with partner agencies, such as the DfE, ESFA and Ofsted in compliance with the rules contained in the conditions of funding agreement for providers and the memorandum of understanding. Where the GLA is informed that the ESFA has made its own assessment of financial health that has triggered either active support measures or intervention the GLA will work with the provider and the ESFA to ensure that any improvement actions are compatible with a rapid improvement.

Intervention process

29. This section defines the three stages of support and intervention measures that are available to the GLA and how they are applied – active support, intervention and termination. With a summary of the activation points for each measure and the steps providers can take to exit each measure.

Active support

30. In line with the ESFA the GLA is replacing early intervention and other activities prior to formal intervention with a range of active support measures that deliver new forms of support to independent training providers.

31. Provider managers will work with providers to ensure that learning provision is of a high quality and that financial stability is maintained. Where the GLA places a provider under active support, it will write to the provider notifying them. The triggers that initiate active support are listed in Appendix 1. The GLA reserves the right to review the intervention points and corrective actions in line with national policy, once available.
32. Should one or more of the listed interventions be activated the provider must complete and submit an improvement plan to their provider manager for approval. The plan must include actions to remedy or mitigate the risk of an escalation in intervention measures. Each action must be:
- **Specific** – how the action will realise a clear improvement in the financial resilience or quality of provision
 - **Measurable** – a value or indicator that will be realised as a result of the action
 - **Attributable** – assign responsibility to a named officer or officers to complete the action
 - **Realistic** – how the action will gain the desired improvement with the available resources and
 - **Timebound** – achievable within a realistic timeframe

Escalation

33. Where a provider fails to agree an improvement action plan, does not implement the agreed plan or fails to meet the agreed milestones, the GLA may at its discretion, implement further measures of intervention including but not limited to reducing the allocation value, suspending payments or escalate the level of intervention.

Intervention

34. Intervention is the formal process of managing underperformance of provider and can be triggered in response to financial or quality measures.
35. Should an intervention be executed the GLA will explore a range of options to address the issues identified. Where the GLA decides to continue supporting the provider to improve, the provider must complete and submit a SMART improvement action plan to their provider manager. The improvement action plan must include a range of activities to remedy or mitigate the risk of an escalation in intervention measures, the trigger being breached to secure rapid improvement.
36. The provider manager will assess the proposed action and may ask the provider to identify additional actions to bring financial and quality measures in line with required

contract levels. In addition to the measures available under active support the GLA rely of further measures, including:

37. Requiring providers to suspend further recruitment of learners to cap any increase in learner number and/ or:

- Consider the changes, if any, required in the ITP's allocation when determining the amount of funding in any subsequent contract and/or
- Reduce, suspend or recover payment and/or
- Terminate the provider's contract in accordance with the termination clause set out within it and/or
- Referral to partner agencies such as the ESFA.

38. The actions in paragraph 35 are not required to be performed in the order they appear and the GLA may apply them at its absolute discretion.

39. When a provider exits intervention, the GLA reserves the right to retain additional measures to the usual monitoring process or require the provider to enter active support so that any risk of similar waning in future is mitigated and the provider is fully supported.

Termination

40. The GLA reserves the right to terminate a contract with immediate effect by giving notice in writing where:

- A provider fails to comply with the requirements of their improvement action plan and/ or
- A provider commits a serious breach of contract and/ or
- A provider activates any of the termination triggers outlined in this document.

41. A full overview of the circumstances that may lead to the GLA terminating a contract and the steps they will take to enforce these are set out in the contract. The circumstances are not limited to those outlined in the interventions and active support table in Appendix 1.

42. Furthermore, the GLA reserves the right to terminate a funding agreement with immediate effect by giving notice in writing where any termination thresholds are triggered.

43. Where a provider is subject to contract management actions by the ESFA through the national oversight arrangements the GLA may work with the ESFA to ensure any performance improvement action is complementary to the GLA funding agreement.

Financial health checks

44. Providers in receipt of funding from both the ESFA and the GLA will be subject to financial health checks by the ESFA. The GLA may also, independently, check the financial health of providers to gain assurance of their financial health.

Subcontracting arrangements

45. Providers are responsible for all the actions of their delivery subcontractors connected to or arising from the delivery of the services they subcontract. Provider must manage and monitor all delivery subcontractors to ensure that good quality provision is being delivered in accordance with the GLA's ASF funding rules. The GLA reserves the right to act in response to an Ofsted inspection of subcontracted delivery or undeclared subcontracting as outline in the GLA contract.

Further queries

46. If you require further guidance on this policy please contact your provider manager or email ASF@London.gov.uk

Appendix 1

Appendix 1 – interventions and active support table

Intervention criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Quality provision			
An Insufficient progress' rating for overall effectiveness in an Ofsted monitoring report or visit	Active support	Additional actions include but are not limited to: <ul style="list-style-type: none"> require providers to suspend the recruitment of learners, or cap any increase in learner numbers; and/or 	A grading of sufficient progress for overall effectiveness in the subsequent Ofsted monitoring report
A 'Requires Improvement' rating for overall effectiveness by Ofsted	Active support	<ul style="list-style-type: none"> consider the changes, if any, required in the ITP's allocation when determining the amount of funding in any subsequent contract; and/or 	Ofsted reinspection has determined that the overall effectiveness of the provider is rated 'Good' or above
Poor and/or a measurable decline in performance management data (as outlined in the "Quality Assurance and Raising Standards" section of the providers funding agreement)	Active support	<ul style="list-style-type: none"> reduce, suspend or recover payment; and/or terminate the provider's contract, in accordance with the termination clause set out within it; and/or 	The provider's educational performance data, evidence improvements agreed in provider's action plan
Escalation by the GLA Provider Manager due to local intelligence, such as complaints or poor-quality data returns.	Active support	referral to partner agencies such as the ESFA.	Resolution of complaint such that the Provider Manager recommends, at their absolute discretion, a return

Intervention criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Quality provision			
			to normal monitoring procedures
A decline in the provider's educational performance data or low achievement rates	Intervention		Educational performance data, evidence improvements agreed in provider's action plan
An Ofsted inspection results in the Provision in part or overall being assessed as inadequate	Termination		
An Ofsted monitoring visit results in the Provision being assessed as having made "insufficient progress" and in the reasonable view of the GLA Learners may be at immediate risk on safeguarding grounds, and/or the quality of leadership and/or training provision is such that one or more Learner has no reasonable prospect of achieving their training objective	Termination		

Intervention criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Provider financial health and stability			
ESFA Financial Health assessment determines that the provider's financial health 'Requires Improvement', or 'Inadequate' and/or the provider's financial information shows that the provider may not be able to meet liabilities in future;	Active support	<p>Additional actions include but are not limited to:</p> <ul style="list-style-type: none"> • require providers to suspend the recruitment of learners, or cap any increase in learner numbers; and/or • consider the changes, if any, required in the ITP's allocation when determining the amount of funding in any subsequent contract; and/or • reduce, suspend or recover payment; and/or • terminate the provider's contract, in accordance with the termination clause set out within it; and/or • referral to partner agencies such as the ESFA. 	The GLA or an ESFA financial health assessment indicates their financial health is rated good or above
The GLA or ESFA Financial health assessment is 'Inadequate';	Intervention		
The outcome of any financial health and/or control assessment undertaken in relation to the	Termination		

Intervention criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Provider financial health and stability			
provider is inadequate.			

Intervention criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Audit, assurance, fraud and investigations			
<p>The GLA or the Mayor's Office of Policing and Crime (MOPAC), acting on behalf of the GLA, determine there is enough information to investigate an allegation of fraud or financial irregularity, including:</p> <ul style="list-style-type: none"> •A funded provider has claimed funding from the GLA through deception. •A funded provider has broken the funding rules; •A funded provider has not delivered education/ training funded by GLA; •Corruption (the offering, promising, giving, requesting, 	Intervention	<p>Additional actions include but are not limited to:</p> <ul style="list-style-type: none"> • Additional meetings with the GLA Provider Manager and MOPAC Auditor • A review and/or retention of learner files • Contact with learners and/or subcontractors to verify information contained in learner files 	Financial irregularity or fraud investigation is resolved satisfactorily

Intervention criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Audit, assurance, fraud and investigations			
receiving, or agreeing to accept an inducement or reward, which may influence a person to act against the interests of the GLA) and bribery – for example, in relation to sub-contracting.			
A qualified opinion resulting from a funding audit;	Intervention	<p>The ESFA and other funding agencies will be informed of allegations that affect their funding streams.</p> <p>The GLA reserve the right to implement one or more of the following actions:</p> <ul style="list-style-type: none"> • Consultations with the Body's governors, principal, and, where required, local stakeholders and learners. 	A satisfactory follow-up audit following receipt of a qualified opinion;
A fraud or financial irregularity investigation produces evidence to support suspicion or allegations;		<ul style="list-style-type: none"> • Request additional data on a regular basis, such as ILR data returns, monthly management accounts and financial information, reports submitted to the provider's senior management team. • Impose additional performance monitoring 	MOPAC Recommendations are implemented satisfactorily, and any clawback decisions are complied with;
A provider fails to provide audit and assurance documents required by the GLA (to be set out in an audit code of practice).			The provider complies with the GLA's audit and assurance requirements.

Intervention criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Audit, assurance, fraud and investigations			
		<p>points and meetings with the GLA Provider Manager</p> <ul style="list-style-type: none"> • Require information which demonstrates how the provider is planning to tackle financial health decline. This may include undertaking a cost scrutiny exercise to identify how to reduce costs and/or bring them within sector standards and/or an assessment of the impact of any funding claw back or reduction on planned income. • Request a risk/ issue management plan • Request information on planned strategic developments, including but not limited to federation or merger arrangements. • Request from provider's internal auditors on the management of the provider, including financial compliance and health. • Request a self-assessment report, quality Improvement action plan 	

Intervention criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Audit, assurance, fraud and investigations			
		and/ or updates on their implementation	
Interventions criteria/ trigger	Level of intervention	Additional actions available	Threshold for exiting intervention
Other			
Failure to comply with active support measures. Minor breach of the GLA grant agreement.	Intervention	Additional actions include but are not limited to: <ul style="list-style-type: none"> • require providers to suspend the recruitment of learners, or cap any increase in learner numbers; and/or • consider the changes, if any, required in the ITP's allocation when determining the amount of funding in any subsequent contract; and/or • reduce, suspend or recover payment; and/or • terminate the provider's contract, in accordance with the termination clause set out within it; and/or • referral to partner agencies such as the ESFA. 	GLA requirements being satisfactorily addressed
Serious breach of the GLA grant agreement.	Termination		

Other formats and languages

For a large print, Braille, disc, sign language video or audio-tape version of this document, please contact us at the address below:

Greater London Authority
City Hall
Kamal Chunchie Way
London E16 1ZE

Telephone **020 7983 4000**
www.london.gov.uk

You will need to supply your name, your postal address and state the format and title of the publication you require.

If you would like a summary of this document in your language, please phone the number or contact us at the address above.