

TEES VALLEY COMBINED AUTHORITY

Adult Education Budget

PROVIDER PERFORMANCE MANAGEMENT FRAMEWORK 2019/2020

NOVEMBER 2018

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Purpose

1. The purpose of this document is to inform all providers with a funding agreement with Tees Valley Combined Authority (TVCA) 2019 of the performance management and monitoring framework that will be applied to their TVCA AEB delivery.

Provider Performance Monitoring and Evaluation:

Monthly Provider Performance Monitoring and Reporting

2. Provider performance monitoring activities will take place on a monthly basis throughout the period of the funding agreement. The purpose of the monthly performance monitoring activities is to evaluate the provider and their subcontracting delivery to determine the current, projected and final outcomes for Tees Valley learners and provider earnings to date against the provider's profile. TVCA will utilise a range of information and data sources including the provider's Individualised Learning Record Return (ILR), national published data, a provider's internal reports and analyses and reporting from the TVCA AEB Intelligence Tool. Comprehensive evidence based evaluation activities will analyse localised data, in addition to available national data to ensure that the TVCA effectively monitors all providers on an on-going basis.
3. Monthly performance monitoring activities will include, but will not be restricted to:
 - Year to date provider earnings against national profile
 - Achievements and outcomes to dates
 - Actual delivery to date (starts) and forecasted delivery (predicted) over the remaining funding agreement period by provision type detailed within the Provider Delivery Plan
 - Achievement of earnings to date by the different provision types on the provider Delivery Plan
4. Monthly monitoring activities may also include Provider Performance Monitoring Meetings, the occurrence and frequency of which will be based on the completion of a TVCA risk analysis activity of each provider in terms of progress against their agreed Delivery Plan, national profile and outcome targets at any particular point in time during the funding agreement period. Each provider will be notified by their Provider Relationship and Performance Officer of the frequency of performance monitoring meetings at the start of their funding agreement period and of any changes in-year to the frequency of performance monitoring meetings.

Provider Performance Quality Reviews

5. In addition to the above, all providers will be subject to four formal Quality Performance Reviews during the funding agreement period in January, April, August and November. The following aspects of a provider's direct delivery and subcontracted provision will be reviewed and discussed with the provider at the quality review to examine year to date quality indicators and will encompass the following performance aspects at relevant and specific times during the funding agreement period:
 - ILR destination data
 - Review of in-year provider performance including retention, pass and achievement rates to date for different groups of adults and types of provision for Tees Valley learners
 - Outcomes from provider subcontracting quality assurance audits and activities on subcontracted provision, including learner files, learner records, individual learning plans, teaching and learning observations and learner survey outcomes and feedback, including any relevant provider compliments and complaints. For more details regarding subcontractor management, please see the TVCA 2019/20 Funding and Performance Rules
 - Subcontractor Self-Assessment Report
 - Subcontractor learner outcomes, including achievement and destination
 - Ofsted inspection and monitoring outcomes for subcontractors if applicable
 - Adult learner feedback satisfaction outcomes through the use of internal provider learner survey activities and nationally published data
 - Review of any available national data sets and reports including minimum standards, National Achievement Rate Tables (NARTs), ESFA auditing outcomes and any ESFA and/or Ofsted and FE Commissioner monitoring activities
 - Provider Annual Self-Assessment Report and Quality Improvement Plan
 - External Verifier reports and visits as appropriate
 - Adult learner complaints relating to the provider received by TVCA if applicable
6. During the Provider Quality Review Meetings TVCA will review as a minimum the following aspects of a providers' direct and subcontracted Delivery Plan:
 - Year to date provider earnings against profile
 - Achievements and outcomes to date for learners across formula funded provision and community funded learning
 - Review of actual delivery to date (starts) and forecasted delivery (predicted) over the remaining funding agreement period by provision type detailed within the Provider Delivery Plan. If applicable, additional actions/activities will be agreed and documented at this meeting, including any changes to the provider's delivery plan.

- If applicable, any potential under spend will be identified and discussed. Subject to discussions, we may allow recovery plans to be developed if appropriate.
 - If applicable, any potential in-year growth opportunities will be discussed.
7. In addition, the provider is encouraged in-year to provide TVCA with any additional internal reporting and data distributed by the provider internally to governors and senior managers to inform TVCA of the provider's in-year performance against learner target outcomes and key organisational performance measures. This additional information should be provided to the designated TVCA Relationship and Performance Officer. This information will be used to further inform the quality of delivery and measure the impact of the provider's TVCA AEB budget on Tees Valley learners, employers and communities.
 8. TVCA reserve the right to increase the frequency of Provider Quality Reviews if at any point during the funding agreement period TVCA have concerns regarding the quality of a provider's adult provision. A provider will receive notification of this from their Provider Relationship and Performance Officer.

Provider Annual Performance Review

9. At the end of the provider funding agreement period TVCA will complete an Annual Provider Performance Review by the end of December. The following data and information will be used to assess the impact of the provider's AEB allocation on Tees Valley adult learners:
 - Final outcomes for learners across different types of provision against the delivery plan target outcomes, including ILR destinations and achievement
 - Final achievement, pass and retention rates against 17/18 national rates
 - Adult English and maths engagement, achievement rates and progression
 - Actual provider earnings against delivery plan funding value by provision type
10. The Annual Performance Review will determine the impact the provider's AEB has had on local learners and businesses. Outcome and progression data will be utilised from the ILR, in addition to any relevant national and provider reporting and data to ascertain impact.

Payment and Reconciliation

11. In 2019/20, TVCA will utilise the current ESFA ILR (Individualised Learning Record) to calculate and monitor a provider's AEB earnings against their Tees

Valley AEB allocation. Payments from TVCA to the provider will be made on a monthly basis against the provider's profile as detailed in the Provider Funding Agreement.

12. Non formula funding, community learning will be paid on a monthly profile. Your TVCA funding agreement will outline your TVCA allocation and detail separately your AEB Formula Funded allocation and your community learning non-formula funding allocation. Funding will be allocated in two envelopes in line with the TVCA profile detailed in your Funding Agreement and TVCA 2019/20 Funding and Performance Rules.
13. All providers are encouraged to return their AEB ILR from R01, particularly if adult learning recruitment commences from 1 August 2019 and/or the provider previously provided an AEB ILR return to the ESFA from R01. Further detail will be defined in your provider funding agreement.
14. The provider's delivery against profile will be monitored and reviewed by TVCA during the funding agreement period on a monthly basis. All providers must complete and return their AEB ILR on a monthly basis after the RO4 submission.
15. As previously described monthly monitoring activities will be undertaken by TVCA from 1 August 2019 and TVCA reserves the right to request any monthly performance information from a provider from the commencement of the funding agreement period.
16. As previously detailed in 2.1 a provider's delivery performance will be monitored throughout the funding agreement period to determine provider AEB earnings against their TVCA AEB funding allocation. Under normal circumstances a provider's earnings against profile will be reviewed and analysed at the following key performance management points:

Key Performance Management Point	Performance Specification %	Month
R04	-20	December
R08	-10	April
R12	-5	July
R14	0	October

17. Any provider with an identified funding variance greater than that detailed in the table above at the specified performance management point must submit a plan to TVCA outlining how they intend to address the under delivery.

18. TVCA reserve the right to re-profile, reconcile or cease payments if the provider is identified as having a funding variance outside of the above performance specifications at the relevant key performance management point.
19. In addition, if following monthly performance monitoring activities detailed in 2.1, it is deemed by TVCA that a provider is significantly underperforming in terms of payment against profile TVCA reserve the right to cease payments, re-profile payments or reconcile payments at this point in the funding agreement period outside of the above performance management points.
20. All provider payments will be reconciled at the end of the funding agreement period against the 2019/20 provider TVCA AEB allocation following a provider's submission of ILR R14. TVCA reserves the right to recover any under spend below the full Tees Valley AEB 2019/20 allocation. TVCA will not provide payment to a provider for over delivery of their TVCA funding allocation unless this is agreed and approved during the funding agreement period. Providers must notify their designated relationship and performance officer immediately if there is any possibility of a provider earning either in excess or below the total TVCA AEB funding allocation.
21. In extenuating circumstances, where the recovery of unspent Tees Valley AEB funding either in-year or at the end of the funding agreement period will result in a negative strategic or economic impact on either the learner, community or provider, TVCA will consider a longer term recovery arrangement with the provider. This decision will be based on robust evidence of improvements in future performance and the continued delivery of high quality provision for Tees Valley residents.

Role of the TVCA Relationship and Performance Officer

22. Each provider delivering AEB for TVCA will be allocated a TVCA Relationship and Performance Officer at the point of AEB indicative funding allocation at the end of March 2019. At this point, the allocation is indicative and subject to approval by the TVCA Cabinet in May 2019.
23. The Relationship and Performance Officer, in addition to managing provider allocations and analysing funding agreement delivery performance, will monitor and evaluate the quality and impact of the provider's performance to ascertain the overall impact of the AEB allocation on local learners across the Tees Valley.
24. Performance management activities, where appropriate, will include as a minimum quarterly monitoring visits to provider premises to review in-year performance, learner outcomes, funding to date and future forecasts. As detailed in 2.1, the occurrence and frequency of performance meetings will be based on the outcomes

of an ongoing in year risk analysis activity, therefore TVCA reserve the right to increase the frequency of performance management meetings at any point during the funding agreement period. On-going support will be provided by the provider's TVCA designated officer to respond to any questions or queries regarding funding and performance and liaise with providers in terms of potential opportunities for funding growth or re-profiling of funds due to underspend.

25. The purpose of the Relationship and Performance Officer role is to:

- Develop a close working relationship with the provider to support and respond to any queries or questions regarding funding, delivery and payment
- Monitor the provider's actual delivery against the agreed delivery plan, identify any concerns regarding over or under delivery and agree recovery plans if appropriate
- Notify the provider of any in-year growth opportunities and support the provider through this process
- Support the timely completion of the Provider In-Year Performance Monitoring Meetings
- Notify the provider of any reconciliation activities and outcomes

TVCA Intervention Process and Activities

26. TVCA is committed to ensuring all providers are delivering high quality provision for adults across Tees Valley and as part of the devolution deal the TVCA will support and work in conjunction with the FE Commissioner, Ofsted and ESFA to deliver early intervention activities to support providers achieve positive outcomes for adult learners.

27. In April 2013, the Department for Education (DfE), jointly with then Department of Business, Innovation and Skills published Rigour and Responsiveness in Skills. This forms the framework for rapid and decisive intervention in response to provider under performance. This is now supplemented by intervention policy in colleges and expansion of the Further Education Commissioner Role published in November 2017.

28. TVCA, in conjunction with the FE Commissioner, Ofsted and ESFA will jointly consider a series of risk indicators that result in 'targeted support' that will bring the provider into scope for a diagnostic assessment. Further detail regarding the role of TVCA during any intervention process will be published separately and available on the TVCA website.

Minimum Quality Standards for AEB Delivery

29. During 2019/20, TVCA will continue to use the ESFA overall qualification achievement rate (QAR) methodology to review provider standards for adult provision.

30. TVCA will review ESFA published thresholds and tolerance levels annually to assess a provider's effectiveness in delivery

31. In addition to minimum standards, TVCA will also consider the following *Minimum Quality Thresholds*:

- An Ofsted inspection resulting in a requires improvement grade or inadequate grade for a provider's leadership and management, teaching and learning and adult learning provision
- Learner survey outcomes which evidence poor levels of adult satisfaction levels
- FE Commissioner intervention due to poor financial health or quality performance and consequent notice to improve
- Instigation of the Insolvency Regime
- Instigation of a college or FE Commissioner led Structure and Prospects Appraisal (SPA)
- Fraud Investigation specifically related to Adult learning
- ESFA Poor financial health reporting

32. If any of the above are instigated during the funding agreement period either against the provider or their subcontractor(s), TVCA will immediately review the provider's funding agreement and may take one of the following actions:

- Require the provider to suspend the recruitment of adult learners funded through the TVCA AEB and/or cap any growth in the adult learning provision
- Reduce, suspend or recover payments to the provider

Auditing of Adult Provision

33. Further detail regarding any TVCA auditing activity, in addition to ESFA auditing activity, will be published separately on the TVCA website.

Complaints and Investigations Process

34. This complaints process is for any adult learner, aged 19+, undertaking either an accredited or an unaccredited qualification with a TVCA provider.

35. Before instigating the TVCA Complaints Process, the learner must have fully exhausted the provider's complaints procedure.

36. TVCA will not re-investigate the original complaint about the provider. TVCA will review whether the provider has satisfactorily investigated the original complaint in line with its procedures.

37. TVCA will investigate complaints about:

- the quality, management or learner experience of education and training
- undue delay or non-compliance with published procedures
- poor administration by the provider
- equality and diversity issues (except where there is a more appropriate mechanism for dealing with the matter through the court, tribunals or other organisations)

38. Concerns about safeguarding will be escalated to the appropriate TVCA Team.

39. TVCA will not investigate complaints about:

- examination results or curriculum content
- individual employment issues including potential employment (such as recruitment) at colleges and providers, which are a matter for the employer and the employee where employment law provides appropriate remedies
- contractual disputes that arise from a contractual agreement between a provider and a party providing services to the provider or from someone who is not a learner
- matters that are the subject of legal action
- the cancellation or reimbursement of an Advanced Learner Loan or fees paid
- a commercial arrangement between an employer and a provider

40. Further details of the TVCA Complaints and Investigation Process will be published in March 2019.

Appendix 1: Provider Performance Management Cycle

Funding Model		R01	R02	R03	R04	R05	R06	R07	R08	R09	R10	R11	R12	R13	R14
Activity	Aug 19	Sept 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	July 20	Aug 20	Sept 20	Oct 20
Monthly Monitoring Activity		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ILR Return	See Funding Agreement	See Funding Agreement	See Funding Agreement	See Funding Agreement	Mandatory R04 ILR Return	See Funding Agreement	See Funding Agreement	See Funding Agreement	Mandatory R08 ILR Return	See Funding Agreement	See Funding Agreement	Mandatory R12 ILR Return	See Funding Agreement	See Funding Agreement	Mandatory R14 ILR Return
Reconciliation Activity					Key Performance Management Point				Key Performance Management Point			Key Performance Management Point			Key Performance Management Point
Performance Management Meeting	See Funding Agreement	See Funding Agreement	See Funding Agreement	See Funding Agreement	Performance Management Meeting 1	See Funding Agreement	See Funding Agreement	See Funding Agreement	Performance Management Meeting 2	See Funding Agreement	See Funding Agreement	Performance Management Meeting 3	See Funding Agreement	See Funding Agreement	Preparation for Provider Annual Review – Dec 20
TVCA Payment to Provider	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
TVCA AEB Monthly Payment Profile	14.44%	8.58%	8.67%	7.08%	5.69%	7.44%	5.39%	5.36%	5.36%	12.69%	10.21%	8.70%			
TVCA Cumulative Payment Profile	14.44%	23.02%	31.69%	38.77%	44.46%	51.90%	57.29%	62.65%	75.34%	85.55%	94.25%	100.00%			