

# Performance Management Framework 2025/26

For the 2025 to 2026 funding year (1 August 2025 to 31 July 2026).

This document sets out the performance management framework that apply to all learning organisations of education and training who receive adult skills funding from the East Midlands County Combined Authority.

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## Introduction to the Adult Skills Fund

- 1.1** We will refer to the East Midlands Combined County Authority in this document as EMCCA. The purpose of EMCCA ASF is to support adult learners in East Midlands to gain skills which will lead them to meaningful, sustained, and relevant employment, or enable them to progress to further learning which will deliver that outcome. Within ASF, further provision for Tailored Learning is available that supports wider outcomes such as to improve health and wellbeing, equip parents/carers to support their child's learning, and develop stronger communities. We recommend that learning organisations review the whole document.

## Governance

- 2.1** The Governance structure and decision-making process for adult skills fund (ASF) is compliant with the EMCCA Assurance Framework and the Strategic Skills Plan. The Strategic level governance of ASF will be the EMCCA, with advisory support by the Employment and Skills Committee (a member led advisory panel) and the technical officer group (TOG). The EMCCA is the accountable body responsible for commissioning devolved ASF provision. Regular updates will be provided to the public meetings of the EMCCA.
- 2.2** The EMCCA will ensure that the funding is directed to the identified areas of need and skills gaps. The successful devolution of ASF funding will require extensive stakeholder and Local Authority engagement. The EMCCA will engage with each Local Authority (or equivalent) and Officers, to identify need and gaps in skills provision in their communities. This information will be used to acquire appropriate levels of provision to respond to local need.
- 2.3** The ASF Partnership Groups will be used to bring together delivery partners and stakeholders to review performance against Delivery Plans and provide insight/advice to the EMCCA on where, what and when provision might be needed. Discussions in these groups will feed into the Local Authority Employment and Skills Boards and the EMCCA's ASF Performance Group.
- 2.4** The management of the Free Courses for Jobs delegated fund (formerly National Skills Fund Level 3 Offer) will be managed in line with the ASF Governance Process, Performance Management Framework and Funding Rules.

## Performance and Partnership

- 3.1** The EMCCA are committed to support the delivery and successful performance of ASF. Learning Organisation management and support will be conducted by the ASF Manager and other Combined Authority officers as appropriate.

- 3.2** The devolution of the ASF budget to EMCCA affords the opportunity to focus on a wider range of outcomes than qualifications alone. Utilise existing EMCCA networks to develop a shared understanding of good practice, performance management and management information requirements. Develop innovative and collaborative delivery models focused on enabling residents to achieve their full potential and increase levels of social mobility, focusing on supporting our residents to gain the skills needed to progress towards or into productive and sustained employment
- 3.3** It is important to us that we develop new relationships and new ways of working, and that we embed our organisational values in how we work with our learning organisations. We believe that the new flexibilities provided to the EMCCA through devolution have enabled us to commission learning organisations who value collaborative partnership working, focused on place whilst delivering high quality provision.
- 3.4** This document provides performance management guidance for Call Off Contracts, and Grant-funded learning organisations in receipt of devolved EMCCA ASF funding for provision starting 1st August 2025. This document should be read alongside learning organisations Contract or Grant Agreement, the EMCCA detailed Funding rules and Performance Management Framework, the DFE Individualised Learner Record (ILR) specification and [Learning Organisations Support Manual](#) and any other relevant sources referred to in those documents.
- 3.5** This guidance will be updated to reflect any changes and will be reviewed before July 2025. Learning organisations are advised to check on the EMCCA website to ensure that they are using the most up-to-date version of this guidance.
- 3.6** The EMCCA will hold its learning organisations to account through a risk-based performance management framework. EMCCA will work collaboratively with its learning organisations and aims to enable all EMCCA residents to gain the skills required to improve their life opportunities, be able to take up high quality employment and/or start in enterprise, both of which are central to an inclusive economic recovery. Through the agreement of delivery plans and ongoing learning organisations management, the EMCCA will begin better aligning ASF provision to current and future regional labour market needs.
- 3.7** We want to develop new relationships and new ways of working, with both our Grant learning organisations and those who have call -off contract. It is important to us that we establish place based local delivery networks, working collaboratively across the EMCCA, providing clear progression pathways for residents into work or progression in work, an apprenticeship or further learning. Whilst EMCCA will work with learning organisations to manage contract performance and compliance, we also expect our learning organisations to work collaboratively with each other. Whether you are funded through a grant or a call off contract you should be focused on a more strategic and joined-up skills offer that better meets local employer and resident needs, especially for those residents who have complex needs in our most disadvantaged communities.

- 3.8** EMCCA will continue to work with its learning organisations in-year to identify ways of focussing ASF to improve the impact and ensure training delivery is directly aligned to our ASF Strategic Skills Plan. This guidance will be updated to reflect any changes; learning organisations are advised to check on the EMCCA website to ensure that they are using the most up-to-date version of this guidance.
- 3.9** EMCCA is taking a risk-based approach to its performance management, allowing capability to move money around in-year in response to performance and need. Alongside the regular performance management reviews, we expect all learning organisations to identify when they are not meeting profiled delivery or when they are experiencing higher demand so we can consider whether it is appropriate to re-distribute funding in-year.
- 3.10** EMCCA will achieve consistency of service across learning organisations through:
- Contract review meetings
  - Monthly analysis of occupancy reports against profiled delivery, based on ILR submission data
  - This performance management framework
  - Documented funding rules and agreements
  - Supporting learning organisations in programme delivery and performance, including development of peer networks
  - Regular desktop compliance checks

### Funding Agreement Types

- 3.11** We have commissioned ASF provision through two routes as stated in the EMCCA ASF Strategic Skills Strategy:
- Route 1: Grant allocation for EMCCA local authorities and FE colleges.
  - Route 2: Contracts awarded through a procurement exercise.
- 3.12** The principles of how we want to work with you will be the same – open, transparent and in partnership underpinned by an agreed 12-month delivery plan. There are some technical and process differences in how we apply our performance management framework. This reflects the different regulatory frameworks learning organisations operate under, but the robustness of the approaches is consistent.
- 3.13** ASF Grant Agreements and Call-off contracts remain separate with different payment arrangements. If you hold both you cannot vire funds between the two. You cannot vire funds between your Authority ASF and any other funding streams you receive.
- 3.14** All learning organisations are required to submit accurate, timely ILR and Earnings Adjustment Statement data via the DFE on a monthly basis post R01 as stated in your Grant Agreement / Call-off contract this information will be used to support our payment and performance management processes.
- 3.15** In addition to monthly data returns all learning organisations will provide the EMCCA with three earnings review claims which should reflect the actual delivery of Provision

by the learning organisation as at the date of the grant funding claim, and where appropriate, provide a forecast of the delivery of Provision by the learning organisation for the remainder of the Funding Year.

- 3.16** The EMCCA will provide learning organisations with a template for submission of claims throughout the 2025/2026 academic year.
- 3.17** All learners funded by the EMCCA ASF and FCFJ must be resident in Derbyshire & Nottinghamshire. Learners outside Derbyshire & Nottinghamshire will be funded by either the Department for Education or another Combined Authority. This can be checked at the following link: <https://www.gov.uk/government/publications/adult-educationbudget-aeb-postcode-files>

### Grant Funded Learning Organisations (Route 1)

- 3.18** The EMCCA will agree a delivery plan and financial forecast with you, and this will be the key document against which you will be performance managed. Financial re-forecasting will only take place if a contract variation has been approved.
- 3.19** The EMCCA has awarded Grant Agreements initially lasting for one year (1 August 2025 to 31 July 2026), with a commitment to fund future years (allocation dependent from Department for Education [DfE]) with an annually updated delivery plan.
- 3.20** Where there is under-performance, we reserve the right to rebase learning organisations in-year or in subsequent years. Where learning organisations have identified and worked with us to manage this under-performance, we will discuss any requirement for re-basing. Where learning organisations do not declare under-performance in advance, the EMCCA reserves the right to rebase allocations automatically.
- 3.21** We will hold formal performance management meetings, subject to performance and risk rating. These will focus on how learning organisations are progressing in achieving the activity set out in the delivery plan and the timeliness and accuracy of the data being provided to the DfE. At these points funding available due to under-delivery may be re-deployed and payments reprofiled following discussion with grant learning organisations.
- 3.22** We will pay learning organisations funded by grant on a standard profile of 12 equal instalments, this includes the 24+ Adult Skills Offer (FCFJ) where learning organisations will also be paid on a standard profile of 12 equal instalments. The EMCCA will consult with all Grant learning organisations during the year on the robustness of the profile and will consider reprofiling where there is good evidence to support.
- 3.23** The EMCCA will keep to the current 3% tolerance for Grant funded learning organisations (Route 1) at end of year reconciliation. If you choose to deliver

provisions which exceed the value of your Grant, the EMCCA is not required to fund any over delivery.

- 3.24** Grant funded learning organisations are required to submit ILR data and Earnings Adjustment Statement data via the DFE. The first return is R01, and this will contain new starts from 1 Aug 2025 and should be submitted in-line with the 2025/26 DFE ILR specification, then in line with your Grant Agreement. This information will be used to inform the risk-based performance management of your organisation.

### Financial Intervention Regime for FE Colleges

- 3.25** To be successful, colleges need to be well managed and financially resilient. While the EMCCA will be performance managing its FE colleges in relation to delivery of ASF, the DFE will continue to monitor FE colleges nationally and we will use their assurance letters to support our review of FE colleges financial viability.
- 3.26** If the DFE and/or the EMCCA has evidence of risk or non-compliance with funding requirements, they will work together to intervene in proportion to the seriousness of the issues and the college's context and circumstances. EMCCA will be working with the DFE area teams and will be part of any review team set up by the FE Commissioner. This approach will mitigate the need for any separate reviews to be undertaken. The DfE and EMCCA will be looking to ensure that any action taken:
- is in the interests of learners
  - protects public money
  - achieves resolution of financial or quality concerns at pace

### Call Off Contracts (Route 2)

- 3.27** Procured provision has been secured through a competitive procurement process; therefore, it is essential that alignment is maintained with the details outlined in the learning Organisations bid. Under no circumstances can deviations be made from the bid details unless formal approval has been obtained.

The following list is not exhaustive but includes key elements that must remain consistent with the bid

- delivery method (e.g., face-to-face classroom delivery)
  - delivery location
  - sector areas
  - provision type
- 3.28** The bid outlines the course content, which will be used to manage performance. Delivery plans, as outlined in the bid, form part of the contract. Consequently, EMCCA

will not be required to pay for any delivery that occurs outside the approved delivery plan.

- 3.29** The EMCCA anticipates that the call off contracts will start 1 August 2025 and be for an initial term of 1 year with a possible extension of 2x 12 months. Service delivery will be confirmed by an additional service level agreement and this document will be revised annually.
- 3.30** As part of awarding a contract, the EMCCA will agree a delivery plan and financial forecast. Financial re-forecasting will only take place if a contract variation has been approved
- 3.31** All call off contract for learning organisations will be paid on actual delivery a month in arrears.
- 3.32** We will hold performance management meetings, subject to performance and risk rating. These will focus on how learning organisations are progressing in achieving the activity set out in the delivery plan and the timeliness and accuracy of the data returns to the DFE. At these points funding available due to under delivery may be re-deployed and payments re-profiled following discussion with learning organisations.
- 3.33** Call off contract for learning organisations are expected to utilise 100% of the funding, if this cannot be achieved then the EMCCA can re-profile allocations and redistribute the funding. If you choose to deliver provisions which exceed the value of your contract the EMCCA is not required to fund any over delivery.
- 3.34** Call off contract for learning organisations are required to submit ILR data and Earnings Adjustment Statement data via the DFE on a monthly basis. The first return is R01, and this will contain new starts from 1 Aug 2025 and should be submitted in-line with the 2025/26 DFE ILR specification, then in line with your Contract. This information will be used to support your payments and inform the risk-based performance management of your organisation.

### **Financial Due Diligence – Call off Contract for Learning Organisations**

- 3.35** The EMCCA are notified of any changes to your organisations credit rating. The EMCCA reserve the right to conduct additional financial checks which may impact the overall risk rating for a learning Organisation.

## **Performance Management**

### **Performance Management Principles**

- 4.1** The performance management principles will apply across all learning Organisations. Although the process of making payments to learning organisations will differ depending on whether the learning organisation holds a Grant Agreement or a call off contract, our approach to performance management will be the same across all learning organisations.



- 4.2** The EMCCA Grant Agreements and call off contracts remain separate with different payment arrangements. If you hold both you cannot veer funds between the two. You cannot wire funds between your EMCCA ASF and any other funding streams you receive, but you can use other funding streams to complement ASF if that improves the chances of the resident progressing.

### Over Performance

- 4.3** A growth request may be considered on consultation with the learning organisation against a number of factors including:
- a) the learning organisations outputs and results are cumulatively above contracted targets
  - b) risk rating is green as determined in 4.16.
  - c) the learning organisation has further capacity; and the EMCCA is in a position to increase targets and contract value for an area of work.
  - d) where there is clear evidence of need and alignment to EMCCA priorities
- 4.4** At key performance points, learning organisations may be able to present a detailed business case for contract growth providing a range of criteria are met, including:
- a) They are at or above 95% of their financial delivery profile
  - b) Delivery is in line with their delivery profile in terms of learner numbers, sector and geographical areas
  - c) Learning organisation has adhered to the ASF key values and behaviours
  - d) Delivery focuses on ASF entitlements and/or key strategic needs
  - e) Detailed evidence of existing demand which includes community and/or employer links
  - f) Detail of planned progression into further learning and/or employment
  - g) Adult provision is rated 'Good' or 'Reasonable Progress' is reported as part of an Ofsted Monitoring visit
  - h) The learning organisation does not have a current audit rating of Minimal Assurance.
- 4.5** Growth requests will be prioritised against strategic need, and in the Local Area geographies with low uptake.
- 4.6** A sliding scale for contract growth will ensure that growth allocations are both viable and proportionate.

- 4.7** Growth requests will be accepted initially at R04, and repeated at R06 where funding permits, based on reallocation of funds.
- 4.8** In exceptional circumstances growth may be considered and awarded at any point in the year as needed.
- 4.9** Please note any over performance will not be paid unless a growth request has been approved. The ASF devolved funding is a finite allocation.

### Underperformance

- 4.10** If any learning organisations delivery is cumulatively below profile, including timely achievements, after two consecutive months they will be highlighted on the programme risk register.
- 4.11** Underperformance will be addressed and allow reallocation of funding to successfully performing learning organisations. Formal assessment against profile will occur at the following monitoring points:

Return	R04	R06	R08	R10	R12
Tolerance to learning organisation forecast	85%	90%	95%	95%	97%

- 4.12** The sliding scale tapers towards year-end, supporting learning organisation who need time to gain momentum. The scale will be applied to learning organisations financial forecasts, although significant variance to DFE national profile will be highlighted.
- 4.13** Underperformance will be managed through the four-stage process outlined in Section 9.
- 4.14** If the final resolution of performance management is to reduce the contract value, the percentage of underperformance against learning organisation profile will be applied to contract value – although consideration of performance improvement and a ‘de minimums’ regarding reduction value will be considered in each case.
- 4.15** Learning organisation will be able to request reduction to contract at any point within the year.
- 4.16** R10 will be the last tolerance point where Performance Improvement Notices (PINs) will be issued for learning organisation.

### Performance Management Approach

- 3.16** The Performance Risk Ratings are:

**Green/Low risk:** Learning organisations will be subject to four formal performance reviews as well as a learning organisations visit each year and required to demonstrate the action learning organisations are taking to maintain this risk banding.

**Amber/Medium risk:** Learning organisations will be subject to bi-monthly formal performance reviews as well as learning organisations visit each year and required to demonstrate the action learning organisations are taking to improve this risk banding.

**Red/High risk:** Learning organisations will be subject to monthly performance reviews as well as a learning organisations visit each year and required to demonstrate the action learning organisations are taking to improve this risk banding.

**3.17** For high risk/red rated learning organisations, EMCCA may take action to pause starts or reduce contract allocations dependant on the risk identified and measures in place.

**3.18** The EMCCA will have a **minimum** of four performance monitoring reviews during the year, which will be used to review the overall position of the EMCCA's ASF funding in terms of expenditure and delivery. There will be contract compliance visits in addition to this.

#### Performance Monitoring Reviews will take place:

Month	25/26	26/27	Monthly Review	Quarterly Performance Review	Earning Review Point
Aug			R12	R01 – R12	
Sep	R01		R13 - R01		
Oct	R02		R14 - R02	R01 – R14	
Nov	R03		R03		
Dec	R04		R04	R01 – R04 (Review 1)	
Jan	R05		R05		
Feb	R06		R06		R01 – R06 (Mid-Year Claim) GP
Mar	R07		R07	R01 – R07 (Review 2)	
Apr	R08		R08		
May	R09		R09		
Jun	R10		R10		R01 – R10 (year End Claim) GP
Jul	R11		R11		
Aug	R12		R12	R01 – R12 (Review 3)	R01 – R12 (R12 Claim) GP
Sep	R13	R01	R13 – R01		
Oct	R14	R02	R14 – R02	R01 - R14 (Review 4)	R01 – R14 Final Funding Claim GP

- 3.19** Where available, a Performance and Funding Report will be shared in advance of a review which sets out performance to date, forecast to the end of the funding year, along with details of any existing or potential issues/risks relating to under/over performance in terms of spend or delivery. This report will provide both qualitative and quantitative information.
- 3.20** If at the monitoring reviews set out above, the EMCCA have evidence that you will not deliver in full, it reserves the right to reduce the funding to a level that is in line with your actual in-year delivery. Any funds will then be reallocated to other learning organisations who have the capacity to deliver additional activity. The process for allocating additional funding is outlined in paragraphs 4.3 – 4.8.
- 3.21** The EMCCA also retain the right to run further mini competitions should additional funding become available.
- 3.22** The EMCCA will use its performance and compliance approaches to see how you are progressing against your delivery plan. Should you fail to meet the requirements and obligations arising from your Grant Agreement or call off contract, the EMCCA will take appropriate informal / formal action against you as required. There are four stages to the process.
- a) Level 1: Routine
  - b) Level 2: Informal (Initial Learning organisation Improvement Notice - PIN)
  - c) Level 3: Escalation
  - d) Level 4: Formal action (Formal Performance Improvement Notice - PIN)

The process is outlined in full at Section 9.

## Subcontracting and Consortia

Please see the DFE Subcontracting funding rules [here](#) for further guidance. We will review this on an ongoing basis as DFE make further updates on this policy.

- 5.1** Subcontracting must not take place unless prior approval has been obtained from EMCCA. EMCCA reserves the right to pause funding and investigate any cases of suspected subcontracting where approval has not been obtained.
- 5.2** As part of agreeing a learning organisations delivery plan and in advance of Contract/Grant start date, you will have provided information on the use of subcontractors through a subcontractor declaration. If in-year, any changes need to be made to those initial subcontractors these need to be approved by the EMCCA through a business case prior to any new learners starting with the subcontractor. We understand that the mix and balance of the provision you plan to deliver could change and there may be cases where you want to take on a new delivery partner in year. We

would expect to see a clear strategic rationale for this decision. We would want to understand particularly how this provision would enhance the offer to residents and see alignment to the EMCCA ASF Strategic Skills Plan priorities.

- 5.3** The responsibility for the provision delivered by your subcontractors remains with you as the lead learning organisations. We expect high quality contracting and performance management to be performed by you for all subcontractors and their provision.
- 5.4** Requests for addition of subcontractors purely due to underperformance against your allocation/contract will not be supported
- 5.5** The EMCCA is keen to see as much of the ASF as possible is being used to directly support EMCCA residents, as such the EMCCA requires management fees in relation to sub-contractors to be no more than 20% of the total subcontracted amount with the learning organisation in question
- 5.6** A maximum of 25% of a learning organisations total allocation can be subcontracted.
- 5.7** Please note that the 25% threshold does not apply to local authorities. Local authorities must still request an exemption for whole programme subcontracting or subcontracted distance learning
- 5.8** Please note that ASF and FCFJ have separate funding arrangements. As such the 25% maximum allowed under subcontracting arrangements is by individual funding stream, not total value of allocation should you have both ASF and FCFJ allocations

## Data

### Data Submissions

- 6.1** Call off contract learning organisations are required to submit an accurate and complete ILR each month following the first enrolment R01. Grant learning organisations should submit a full and complete ILR as early as possible in the academic year but, as a minimum, a complete and accurate ILR must be submitted at R04 and in every subsequent month. ILR files must be submitted to the DFE via the Submit Learner Data facility <https://guidance.submitlearner-data.service.gov.uk/> and this must include all ASF activity year-to date
- 6.2** As a learning organisation you must have the capacity and capability for accurate data and evidence collection, management and reporting and you must be able to comply with both the EMCCA's and the DFE data submission requirements, including, but not limited to, the Individualised Learner Record (ILR), Earnings Adjustment Statement (EAS) and all associated evidence, with prompt recording of changes to learner data e.g. withdrawals from learning.
- 6.3** Learning Organisations must ensure that all documentation relating to the enrolment of EMCCA residents, and the record of learning activity is completed accurately. ILR

data submitted for EMCCA residents will continue to be submitted to the DFE through the “Submit Learner Data” facility <https://guidance.submitlearner-data.service.gov.uk/> provided by the DFE. ILR files will be validated at the point of transmission against both definitions and validation rules. If any data fails the validation checks, then the learner record and all associated records for that learner will be rejected. Rejected records are not loaded into the national ILR database and so do not generate funding; these records are reported on the rule violation report. This will ensure that the data received by the EMCCA is accurate and complete as it will be used as the basis for the payments you will receive.

- 6.4** As part of our assurance work, the EMCCA will be monitoring the data learning organisations submit to the DFE from the individualised learner record (ILR) and the Earnings Adjustment Statement (EAS). The EMCCA will carry out regular desktop reviews of how the national funding system and the EMCCA'S funding rules are being applied, allowing us to identify possible errors in the devolved ASF funding claimed for East Midlands residents by learning organisations, which may require further investigation.
- 6.5** To provide further assurance, the EMCCA will use the services of the DFE, external auditors and Data Analyst function and/or other appointed suppliers to undertake field-based activity as part of our annual assurance programme of work.

In addition, the EMCCA will expect learning organisations to regularly review their software systems and processes to check for data accuracy. For 2025/26 learning organisations will continue to be able to access the DFE systems, these are: the funding information system (FIS); the Submit Learner Data facility; Individual Learner Record Reports; and the learning organisations data self-assessment toolkit (PDSAT); Funding and Monitoring Reports. These are available here - <https://guidance.submit-learner-data.service.gov.uk/>

### Individualised Learner Record (ILR)

Please see guidance on uploading the ILR here – <https://guidance.submit-learnerdata.service.gov.uk/>

- 6.6** ILR data must be submitted to the DFE by uploading a file in XML (extensible mark-up language) format to the DFE's secure online, 'Submit Learner Data', facility and this should be done on a regular basis. If learning organisations do not have an MI system capable of generating an ILR XML file, then learning organisations should consider using the DFE ILR Learner Entry Tool (please note that this tool is limited in terms of learner numbers that can be entered) which will enable learning organisations to create an ILR file for submission to the DFE. The EMCCA recommend uploading the ILR as a compressed file.

- 6.7** As a learning organisation delivering provision to EMCCA residents, learning organisations will be required to complete the Individual Learner record in the 2025/2026 academic year. The DFE will continue to hold ILR data in a single national data set. Learning organisations must upload their ILR data via the DFE facility and cannot submit the ILR data directly to the EMCCA.
- 6.8** There are a number of changes to how data is to be coded, and learning organisations should refer to our Performance Management Framework, Funding Rules 2025/2026 and Funding Rates and Formula 2025/2026. The EMCCA will base all monitoring and analysis on aims coded with a Source of Funding code of 121. If a contractor doesn't meet the performance standards (especially in areas related to learning and improvement), the contract payment can be reduced based on how far off they are. But decision-makers will also consider any improvements made and may ignore very small shortfalls. This applies to both formula and non-formula funded provision. For general ASF activity delivered by Grant learning organisations Source of Funding code 121 must be used for all EMCCA residents.
- 6.9** Data recorded on the ILR return will continue to be used to calculate funding earned by learning organisations and will enable the EMCCA, as part of its risk-based performance management arrangements, to compare actual volumes and earnings against the delivery plan agreed as part of learning organisations Contract/Grant agreements. The data gathered through the ILR will enable the DFE to generate occupancy reports for both learning organisations and the EMCCA. These will confirm that the learning aim is valid, run the funding calculation and confirm the actual funding earned. It will also be used to monitor progress against payment profiles.
- 6.10** The Learning Start Date Postcode is an important field and should record the postcode of the learner when starting a learning aim, establishing that the learner has an East Midlands County Combined Authority postcode. For more information about postcodes, including a postcode look-up tool to help you determine which funding body is responsible for any given postcode, please refer to the [ASF devolution postcode dataset](#).
- 6.11** There are two changes which have been made to the to deal with devolved provision:
- a) New Source of Funding code (SOF) - to enable learning organisations to identify the Delivery of activity through the Grant/ call off contract supporting EMCCA residents, the code for EMCCA is SOF 121.
  - b) A set of Devolved Area Monitoring (DAM) fields – these are a type of learning delivery funding and monitoring field. Each aim can be flagged with up to six DAM codes but in most instances one DAM code will be required. This information will be published to learning organisations in receipt of ASF shortly.



- 6.12** The purpose of the DAM codes is to flag learning aims that need to be monitored as part of new flexibility or to identify elements that are being funded via the EAS e.g., learning aims associated with “local flexibilities” will be identified by specific DAM codes. The detail of what learning organisations need to provide will be dependent upon any future local flexibilities approved by the EMCCA.
- 6.13** The funding for a resident in some Lots will not be generated directly within the ILR but through the EAS report. Where this is the case, the learning organisations will be required to submit the learner data in the ILR, with an appropriate DAM code, as well as populating the funding claim in the EAS according to the funding generated by that individual learner which can’t be claimed via the ILR. The EMCCA will fund provision using the details of learner and funding on both the ILR and EAS respectively. The EMCCA will make clear within individual contract schedules where this is the case.

### Learning organisations ILR Requirements

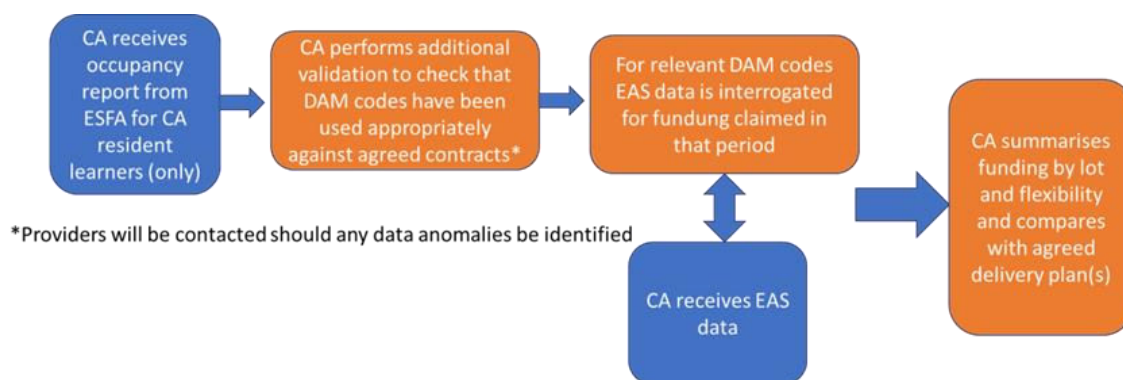
- 6.14** The diagram below sets out the additional step’s learning organisations need to complete when preparing the ILR data for 2025/26.



- 6.15** Data recorded on the ILR return will continue to be used to calculate funding earned by learning organisations and will enable the EMCCA, as part of its performance management arrangements, to compare actual volumes and earnings against the delivery plan agreed as part of learning organisations call off contract/Grant agreement. The data gathered through the ILR will enable the DFE to generate occupancy reports for both learning organisations and the EMCCA. These will confirm that the learning aim is valid, run the funding calculation and confirm the actual funding earned. It will also be used to monitor progress against payment profiles.

### Data Validation Undertaken by the East Midlands County Combined Authority





**6.16** Once learning organisations submit an ILR to the DFE it cannot be deleted. If the file contains incorrect data, this can only be corrected by submitting a corrected ILR file to overwrite the incorrect one. The last file submitted prior to the period deadline will be the one loaded into the national database for that return.

### Data collection for tailored learning provision from 2025/2026

**6.17** The EMCCA invests significantly in tailored learning provision, but the current data collection process does not clearly capture the activity delivered or its impact. The new approach to coding data will allow the EMCCA to better collate information on the primary purpose of the provision. The categories are aligned with existing tailored learning objectives and include:

- Engaging and/or building confidence
- Preparation for further learning
- Preparation for employment
- Improving essential skills (English, ESOL, maths, digital)
- Equipping parents/carers to support children's learning
- Health and wellbeing
- Developing stronger communities
- Adult family learning

**6.18** Where a learning organisation delivers grant funded tailored learning provision as part of their offer the EMCCA also expects to see that there are relevant routes for progression onto formula funded activity alongside this. Programmes must not solely be for leisure purposes.

**6.19** Please see the Funding Rules and Performance Management Framework for 2025/2026 for further details on Tailored learning and procured provision.

## Payments Reporting & Performance Management

- 7.1** The EMCCA will run the BACS payments on the 16th working day of each month. Learning organisations will need to ensure that learning organisations have cash flow available to accommodate these payment terms.
- 7.2** Learning Organisations will be given, in advance of the start of the funding year, an agreed payment profile based on the learning organisations agreed delivery plan, underpinned by a Grant/call off contract. Learning organisations will be advised in writing in advance of any in-year changes being made to the value of its Grant or call off contract. The EMCCA reserve the right to cease payments, should learning organisations be in breach of their call off contract/Grant agreement.

### Payment Timeline

- 7.3** The normal payment timeline is shown below.
- 7.4** For all learning organisations, Grant/call off contract agreement will span two financial years:
- August 2025 to March 2026: periods 1 to 8 of the 2025 to 2026 funding year
  - April 2026 to July 2026: periods 9 to 12 of the 2025 to 2026 funding year
- 7.5** In the event of an overpayment identified within the academic year, EMCCA reserves the right to adjust future payments to recover the overpaid amount. Conversely, if an underpayment is identified, EMCCA will correct the shortfall through an adjustment in the following month, implemented as soon as the discrepancy is confirmed.

Payments will be reconciliated at R14 via additional payment or invoice.

Day of Month	Action
Workday 4	Learning organisations submits ILR to DFE
Workday 5	DFE runs validation checks
Workday 6	EMCCA receives occupancy report
Workday 7	EMCCA checks accuracy of return
Workday 16	EMCCA BACs run to learning organisations

### Earning Adjustment Statement (EAS)

- 2.5** EAS will be expanded for 2025/2026 to capture all funding claimed outside of the ILR. Further details will be shared later to describe the frequency of EAS reporting and how the EAS claim must be completed.

## 24+ Free Courses for Jobs (FCFJ)

- 2.6** The management of the Free Courses for Jobs delegated fund (formerly National Skills Fund Level 3 Offer) will be managed in line with the ASF Governance Process, Performance Management Framework and Funding Rules.
- 2.7** Grant learning organisations with an allocation for the 24+ Level 3 Adult Offer must ensure that the aims you claim align to those on the Level 3 list you have agreed with the EMCCA (grant learning organisation specific) and flagged with LDM code 378.
- 2.8** Call-off learning organisations with an allocation for the 24+ Level 3 Adult Officer must ensure that the aims you claim align to those on the Level 3 list you have agreed with the EMCCA and flagged with LDM code 378.

## Learning organisations Funding Reports

- 7.6** DFE will provide all EMCCA learning organisations with the following funding reports in respect of their ASF provision in devolved areas:
  - Devolved Adult Education Occupancy Report - This is the detailed report for devolved adult education, containing information about the learning aims, the learner and the funding generated each month. This report includes learning aims recorded with a Source of Funding 121 (SOF) for a devolved area and either Funding model 38 (Adult skills) or Funding model 11 (Tailored Learning).
  - Devolved Adult Education Funding Summary Report - This is the summary report for earnings recorded under devolved funding model 38 (Adult skills) split by each devolved authority. This report aggregates the funding for each month by funding age band, by programme and key funding line type. It also combines earnings from the ILR and the EAS.
  - Non-Contracted Devolved Adult Education Activity Report - This report shows learning aims for devolved adult education (funding model 38 and 11) where the ILR details for the learning aims have passed validation and there are calculated earnings, but where there is no contract between the devolved authority and the learning organisations.

## Audit & Assurance

- 8.1** We are required to submit an annual statement setting out various assurances over our learning organisations to the Department for Education on an annual basis. This is in addition to existing statutory and other legal and public sector assurance requirements for us to demonstrate public funds distributed and used by us are being spent appropriately.

**8.2** As part of our approach to monitoring learning organisations performance our Finance and external Audit colleagues will undertake audit and assurance activities to ensure that the funding is deployed in the way it was intended. This includes finance activities and internal audit learning organisations reviews.

**8.3** The focus of the internal audit activities in 8.2 will be to provide assurance that:

- Systems, processes and internal controls learning organisations have in place ensure that they submit timely and robust data to the DFE and the EMCCA and they are compliant with statutory and contractual requirements.
- Learning organisations are delivering provision in line with data submitted and evidence exists to support the funding claims; and
- Corrective or preventative action is being taken where appropriate to rectify any issues identified during the audit activity.

**8.4** All learning organisations will be reviewed by internal/external audit and subject to risk at least once every year that they are in a funding agreement with us, and more frequently if concerns have been raised through the risk assessment process.

**8.5** The internal/external audits will include, but not be limited to, a review of:

- Key background documentation and sources of assurance
- Relevant internal EMCCA ASF documentation
- The learning organisations relevant systems, processes and documentation
- Policies provided as part of the contract assurance and due diligence process
- How the systems and processes between our learning organisations, our internal/external teams, the DFE and any other Combined Authorities are working.

Additionally:

- Interviews with key EMCCA ASF staff on the learning organisations performance
- Interviews with key learning organisations staff and learners, where necessary
- Detailed testing on samples of learner files; and
- A high-level review of the learning organisations approach to Equity, Diversity and Inclusion

**8.6** Following the review, an internal audit report will be produced and will include an assurance opinion on the learning organisations in line with Department for Education requirements:

Level of Assurance	Description
Reasonable	There is a good framework of controls in place and the majority of controls are being consistently applied to ensure risks are managed effectively.

Limited	There is an adequate framework of controls in place, but the controls are not being consistently applied to ensure the risks are managed effectively.
Minimal	There is a weak framework of control in place and/or the controls are not being consistently applied to ensure the risks are managed effectively.

- 8.7** The report will make recommendations where areas of non-compliance are found. Action taken, including any changes needed to the ILR, and any payments due back, will be monitored via periodic performance management reviews.
- 8.8** The internal/external audit team will undertake follow up reviews. The timings of the review will be dependent on the level of assurance given in the initial internal audit report.
- 8.9** If allegations or information are received by us under our Whistleblowing Policy, that relate to concerns regarding the financial management and/or governance of the learning organisations or one of their sub-contractors, the matter will be investigated in line with our Anti-Fraud and Corruption Policy and any agreed joint working protocols with any other affected partner organisations, including the DFE and other Combined Authorities/the GLA.
- 8.10** Where the EMCCA is funding a Local Authority, then assurance will be sought from the Local Authority's Internal Auditors on its provision delivered and use of funds. Assurances from external auditors and others will also be sought in line with the latest DFE Post-16 Audit Code of Practice.
- 8.11** The assurance over Higher Education institutions in respect of ASF funds remains the responsibility of the Office for Students (OfS).

## **Approach to Performance Reviews, Desktop Compliance checks and Internal Audits**

### **Level 1 – Routine Review**

- 9.1** In year one, we will engage external auditors to support the assurance of ASF at EMCCA. Performance rules will be updated accordingly to reflect this approach.
- 9.2** The review will include, but is not limited to, the following:
- progress against your delivery plan (including track record)
  - compliance with the funding rules
  - quality and timeliness of data returns,
  - complaints and whistle-blowers,
  - compliance with subcontracting requirements
  - review of systems and processes (where appropriate)
  - quality concerns based on progress judgements in published Ofsted reports.
  - qualification achievement rates
  - any compliance concerns, including outcomes of compliance checks and Internal audits assurance reviews

- 9.3** Following the review, a risk rating will be assigned to learning organisations through a BAR (Green, Amber, Red) rating system. All learning organisations will undergo Performance Monitoring Reviews, as outlined in paragraph 4.18, as a minimum. Regularity of reviews will increase where learning organisations are rated Amber and Red.
- 9.4** It is important to note that a learning organisations risk rating can change in year due to a change in risk. Learning organisations risk rated as 'Very High', may escalate directly to a higher level.

### **Level 2 – Informal**

- 9.5** If data shows that you may not achieve the performance levels set out in your call off contract/ Grant Agreement, we will issue a learning organisations Improvement Notice. At this stage you will be informed that formal action could be taken in the event that performance does not improve.
- 9.6** A Recovery Plan will be developed by the learning organisations to detail the actions, next steps and support required to improve performance. The Recovery Plan will be reviewed by EMCCA, and support will be provided to assist increased performance where needed.
- 9.7** The Recovery Plan will be used to capture all agreed actions for performance improvement, including incremental performance and pipeline data that may lead to improving performance levels in line with the agreement/ contract.
- 9.8** The Recovery Plan will be reviewed as part of your Performance Review. Weekly contact will be made to check on progress and provide support. Moving to Level 2 within the Performance Management Framework will impact on your risk rating. It may also have an impact on any request for growth or contract extension for the funding year 2025/2026.

### **Level 3 – Escalation**

- 9.9** If data and subsequent reviews show that you may not achieve the Recovery Plan set out in your Performance Review, we will discuss your contract and delivery with the EMCCA ASF Performance Group. Once these discussions have taken place, a decision will be made as to whether to progress to Level 4.

### **Level 4 – Formal**

- 9.10** If formal action is required, the EMCCA will issue a Contract Reduction Notice in accordance with the terms of your Grant Agreement or call off contract, to address the failure to meet the performance levels set out in the grant/ call off contract.
- 9.11** The EMCCA will stipulate what action should be taken, and the timeframes for action and reporting.

- 9.12** In the event that performance does not improve sufficiently to meet the performance levels as required after the Contract Reduction Notice, the EMCCA may act to terminate your call off contract or grant agreement.

### Performance Reviews

- 9.13** It is important to note that a learning organisations risk rating can change in year, based on actual delivery, performance reviews and desktop compliance checks. Your lead contact within the ASF Relationship Management Team will hold regular Performance Reviews with you, which will focus on grant/call off contract agreement performance levels. Performance will be managed on both quantitative and qualitative aspects of your call off contract/Grant Agreement.
- 9.14** The purpose of the performance review is to formally examine with you, your performance for individual call off contracts/ Grant Agreements. All relevant aspects of performance will be assessed against contractual requirements and outcomes. The frequency of Performance Review will be in line with your risk rating.
- 9.15** The outcomes of your performance Desktop compliance check and internal/external audit review may impact on your risk rating. The Performance Review meeting will focus on the ongoing achievement of performance levels and customer service standards and depending on priority issues for each meeting, is likely to cover the following areas (this list is non-exhaustive):
- Actions arising from any previous Performance Review
  - Performance including that reported in the ILR and EAS against your Delivery Plan and expected future performance
  - Review of delivery models as confirmed in your delivery plan
  - Review of learner journey (where appropriate)
  - Review of collaborative working
  - Review of Recovery Plan (where applicable)
  - Sub-contractor and supply chain performance (where applicable)
  - Collaborative working
  - Compliance monitoring including exception reports
  - The East Midlands Combined County Authority Strategic Priorities
  - The East Midlands Combined County Authority / DfE policy changes.

### Desktop Compliance checks

- 9.16** You must ensure you have systems and processes in place to assure the EMCCA that you are using the ASF appropriately. The EMCCA reserve the right to perform Compliance Monitoring for any learning organisation, including sub-contracted provision.
- 9.17** In order to gain assurance on learning organisations compliance with the funding rules and agreements with us the EMCCA Project support officers will undertake regular checks of all learning organisations.
- 9.18** The Desktop compliance checks will include, but not be limited to:



- Systems and processes
- ILR data
- EAS submission
- Sample checks of learner files
- Number of Guided Learning Hours (GLH) delivered per qualification (which must be recorded and can include classroom delivery; distance learning and assessment and attendance records must be available).
- Next steps/learner outcomes at the time of the course completion
- Evidence of learner tracking for progression
- Sub-contracting arrangements
- Other contractual requirements
- Discussions with learners

**9.19** The EMCCA will select a sample of learner files to check randomly using a method chosen by the EMCCA. The frequency, periodicity and size of the samples may change throughout the contract period.

**9.20** As part of our compliance monitoring, we will continue to monitor compliance with the funding rules. We will contact you where we identify you have submitted data that does not meet our funding rules and ILR requirements. We will require you to correct inaccurate ILR and EAS data or to adjust your final funding claim.

**9.21** Following the outcome of the compliance monitoring visit, your overall risk rating may be changed to reflect your overall outcome.

**9.22** Based on the outcome of the compliance monitoring visit, a follow up by the contracts team may be required within 6 months.

**9.23** Both performance review and contract review processes and escalation procedures will be supported by periodic internal audit reviews as recorded above in Section 8.

### Learning Organisations Visits

**9.24** Learning organisations visits will be conducted a minimum of once a year for each learning organisation. The aims of these visits are to:

- Understand the intent and impact of EMCCA Adult Skills provision and its alignment with the ASF Strategic Skills Plan.
- Explore progression routes and how we can support cohesive progression pathways.
- Gain a deeper understanding of the intent and impact of provision
- Engage with learners to gather their feedback and experiences.
- Talk to tutors to understand their perspectives and support needs.
- Observe learning taking place
- Gather case studies that highlight successes and areas for improvement.
- These visits are integral to maintaining high standards and encouraging continuous improvement in EMCCA Adult provision.



## Local Governance

- 9.25** EMCCA is keen to ensure there is a strong focus on how delivery looks within a place as well as at a East Midlands level for the ASF provision. To enable this EMCCA intend to provide a supportive and engaging environment whereby key stakeholders, including but not limited to LAs and learning organisation, can shape, contribute to and take ownership for the East Midlands adult skills provision.
- 9.26** Partnership meetings will take place throughout the duration of the contract to provide a forum in which the ASF programme and wider skills delivery can be openly discussed with learning organisation, including referral partners such as DWP/JCP, Local Authorities, other key stakeholders and the EMCCA. We will look to hold four Adult Skills events per year. In addition, Adult Skills delivery meetings will take place at various locations across the region.
- 9.27** EMCCA will share with the local authority's key information such as:
- Actual progress of delivery by local authority area and sector skills areas, split by residents' volumes and value.
- 9.28** EMCCA will want to see collaboration across all prime learning organisation and their supply chains to enable high quality learner pathways, both at a local level and across East Midlands.
- 9.29** Attendance at Partnership Meetings, both at local authority level and for the EMCCA region are compulsory for all learning organisations to attend.