



**West Midlands**  
Combined Authority

# AEB Provider Payment & Performance Management Framework

July 2020

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## 1. Introduction

- 1.1 This document provides Payment and Performance management guidance for Independent Training Providers (ITPs), and Grant-funded providers who will be in receipt of devolved WMCA Adult Education Budget (AEB) for the 2020/21 funding year. This document should be read alongside your Contract or Grant Agreement, the detailed [WMCA funding rules 2020/2021](#) the ESFA Individualised Learner Record (ILR) specification and provider manual for 2020/21, and any other relevant documents referred to in those documents.
- 1.2 We will use our approach to funding to make sure learning provision is of a high quality. We will use your ongoing track record to assess your ability to deliver education and training to the required standard. The standards include Ofsted grades, in-year performance, minimum standards, financial health, financial management and control, and delivery against your contract, where this information is available.
- 1.3 This guidance has been updated in July 2020 to reflect changes and will be reviewed again before October 2021 at the latest. If you have this guidance in a saved offline or hard copy format, you are advised to check on the WMCA website to ensure you are using the most up-to-date version of the publication.

## 2. Overview

- 2.1 It is really important to us that we establish local delivery networks and clear progression pathways for residents. Whilst WMCA will work with you to manage contract performance and compliance, we also expect our providers to work collaboratively with local authorities and other key stakeholders to deliver a more strategic and joined-up offer that better meets local needs.
- 2.2 At the centre of our provider management approach is the delivery plan that we agree with each individual provider across all provider types. The delivery plan once agreed will form the basis of monitoring and performance management throughout the year. Performance against the delivery plan will inform decisions related to intervention and funding increases and decreases. In 2019/20, too often providers failed to deliver what was committed too; even pre-COVID we saw significant deviation from the expected outcomes.
- 2.3 In the 2020/21 academic year we will continue to bring a sharper focus on outcomes for our residents related to job outcomes for the unemployed, and in-work progression leading to better pay for the low waged. As set out in the funding rules the accuracy of recording destinations will be key across all provider types, and is also a condition of funding.
- 2.4 Our performance management approach is risk based and we will use regular performance management points to test progress against the deliver plan and associated funding profile. Providers do not need to wait for these performance management points if they identify that they're not meeting profile or when they are experiencing higher demand so we can look to re-distribute funding throughout the year.
- 2.5 We have two means of purchasing AEB:
  - Grant-funded provision (underpinned by a delivery plan) for local authorities, FE colleges and the Workers Education Association (WEA).
  - Procured provision (underpinned by a delivery plan) delivered through a Contract for all other providers.
- 2.6 The principles of how we want to work will be the same for both sets of providers – open, transparent and in partnership but there are technical and process differences in how we

apply our performance management framework. It does not mean we value any provider over another.

### **Grant funded providers**

- 2.7 The WMCA has awards Grant agreements on an annual academic basis. Where there is under-performance we reserve the right to rebase providers' allocations. Where providers have identified and worked with us to manage this under performance we will discuss the requirement for re-basing, where providers do not declare under performance then we may rebase allocations automatically.
- 2.8 We will pay providers operating under grant agreement a standard profile in line with the ESFA national funding arrangements (set out at paragraph 7.6). We will consult with Colleges West Midlands (CWM) and Adult and Community Learning Alliance (ACLA) during the year on the appropriateness of this profile and will consider alternative arrangements should they be proposed.
- 2.9 We will hold performance management meetings three times per year, which will focus on how you are progressing in achieving the activity set out in your Delivery Plan, and funding returns. At these points, significant under-delivery may be re-deployed and payments re-profiled in discussion with you.
- 2.10 We will be open to discussions about growth in year but there is no guarantee that we will be able to award growth. Any growth awarded will need to be in line with the AEB Investment Plan. Equally there is no guarantee that any over delivery will be funded. We have committed to retaining the 97% tolerance that the ESFA has applied in recent years but we will not commit to the 103% over delivery guarantee. Over delivery and delivery towards non approved qualifications will not be funded unless an appropriate growth/flexibility case has been approved by WMCA.

### **Contract for service providers**

- 2.11 The WMCA has awarded Contracts to independent training providers following procurement exercises. Each contract for service is awarded in line with specification for the relevant Lot. Contract for services providers should review the contract term as set out in specification e.g. Lot 1, 2 and 3 initially lasting for one year starting in 2019/20 with an option to extend to for a further two years subject to an annually agreed delivery plan.
- 2.12 The WMCA will pay on actual delivery, paid monthly in arrears. Individual delivery profiles will be developed for each provider in receipt of a Contract in order to monitor performance.
- 2.13 We will hold performance management meetings three times per year which will focus on how you are progressing in achieving the activity set out in your Delivery Plan, and funding returns. We will reserve the right to also monitor how you are delivering against your social value metrics. At these points significant under-delivery may result in contract reductions. You can voluntarily reduce your AEB funding allocation. If you want to do this, please let your Relationship Manager or Compliance Officer as soon as you are aware that you may have potential under delivery
- 2.14 We will be open to discussions about growth in year but there is no guarantee that we will be able to award growth. Any growth awarded will need to be in line with the Investment

Plan. Over delivery and delivery towards non approved qualification will not be funded unless an appropriate growth/flexibility case has been approved by WMCA.

### **3. Financial due diligence**

#### **Providers in receipt of a Contract**

- 3.1 The WMCA is implementing a new approach to financial due diligence and financial health assessment for the 2020/21 contract year. The new approach will be published in September 2020 and will be used to inform risk-based performance management arrangements.

#### **Financial Intervention Regime for FE Colleges**

- 3.2 To be successful, colleges need to be well managed and financially resilient. Over the last few years, the area review programme and the investment Government has made in restructuring has helped make many colleges more sustainable. However, ESFA at a national level know there is a risk that colleges may still get into financial difficulty. So, have published additional guidance on College oversight, support and intervention, information on this can be found here.
- 3.3 While the WMCA will be performance-managing its FE colleges in relation to delivery of AEB, the ESFA will continue to monitor FE colleges nationally. We will always look to offer supportive and preventative approaches to support colleges in difficulty.
- 3.4 If the ESFA and/or the WMCA has evidence of risk, underperformance 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. The WMCA will be working with the ESFA territorial teams and would be part of any review team, whether that is early intervention or working with the FE Commissioner. This approach will reduce the need for any separate review to be undertaken. The ESFA and WMCA 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

#### **ESFA Oversight of Independent Training Providers (ITP)**

- 3.5 Independent training providers are a key part of the WMCA delivery base supporting our residents and employers. Although the ESFA's oversight model is not contractual, its contract management approach is similar to the WMCA and we will work together to take early action to address the potential risk of failure.

### **4. Community Learning**

- 4.1 If you are delivering Community Learning (CL) activity, we expect this to be delivered in line with what we have set out in Annex 5 of the [WMCA AEB Funding rules 20/21](#) and community learning investment plans. Providers should continue to use the 'non-formula

funded' approach. ILR data must be recorded using the WMCA source of funding code 112 and the Funding Model Code 10.

- 4.2 CL will continue to be funded under grant to those local authorities and colleges recognised by the WMCA as community learning providers
- 4.3 It's key that CL provides support to those disconnected from communities and furthest away from the labour market.
- 4.4 Our intent for CL is to ensure that an offer exists within each local authority area to support education for employment and education for the well-being of our residents.
- 4.5 The purpose of CL is to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to:
  - progress towards formal learning or employment and/or
  - improve their health and well-being, including mental health and/or
  - develop stronger communities
- 4.6 Each community learning provider will complete a community plan and outcomes statement on an annual basis which the WMCA will monitor against.

## **5. Supply chain and consortia**

- 5.1 As part of agreeing your delivery plan the decision to enable you to subcontract will have been confirmed as part of agreeing your funding agreement, Delivery Plan and a review of your supply chain declaration form. You cannot enter into a supply chain relationship without the express written agreement of the WMCA at any point in the year.
- 5.2 The WMCA considers the term 'supply chain delivery member' to encompass all third party arrangements you have with other organisations where they are managing and delivering a proportion of your WMCA delivery plan - this encompasses 'learner find' services, job placement services as well as the delivery of all or elements of the teaching, learning or assessment.
- 5.3 If providers intend to source, through procurement or otherwise, additional supply chain members then the WMCA must be notified in advance of publication of procurement opportunity. We would want to understand particularly how this provision would enhance the offer to residents and see alignment to the WMCA Regional Skills Plan priorities.
- 5.4 For full details on supply chain, please refer to annex four of the WMCA AEB Funding rules 20/21.

## **6. Data collection**

### **Data submissions**

- 6.1 As a provider you must have the capacity and capability for accurate data and evidence collection, management and reporting, and must be able to comply with both the WMCA and the ESFA submission of data. This will include, but is not limited to, the ILR or Earnings Adjustment Statement (EAS) and any associated evidence, with prompt changes to learner data e.g. withdrawals from learning.
- 6.2 Providers must ensure that all documentation relating to the enrolment of WMCA residents and the record of learning activity is completed accurately. ILR data submitted for WMCA residents will continue to be sent to the ESFA through "Submit learner data portal". It is required that this data is sent through monthly. ILR files will be validated at the point of

transmission against both definition 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 WMCA is accurate and complete as the basis for payment.

- 6.3 As part of our assurance work, the WMCA will be monitoring the data you submit to the ESFA from the ILR and the EAS. The WMCA will carry out regular desktop reviews of how the national funding system and the WMCA funding rules are operating, allowing us to identify possible errors in the devolved AEB funding claimed for WMCA residents by providers, which might require further investigation. 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; WMCA will exclude related payments until corrected.
- 6.4 To provide further assurance, the WMCA may use the services of the ESFA and/or other appointed suppliers to undertake field-based activity as part of our annual assurance programme of work, comprising of funding compliance audits and targeted thematic funding assurance reviews.
- 6.5 In addition, WMCA will expect providers to regularly review their software systems and processes to check for data accuracy. For 2020/21 you will continue to be able to access the ESFA systems, these are: the funding information system (FIS); the Submit learner data portal; Individual Learner Record Reports; and the provider data self-assessment toolkit (PDSAT).

#### **Individualised Learner Record**

- 6.6 As a provider delivering provision to WMCA residents, you will be required to complete the ILR in the 2020/21 academic year. The ESFA will continue to hold ILR data in a single national data set. Providers must upload its ILR data via the ESFA, and cannot submit the data directly to the WMCA.
- 6.7 Providers should refer to the ILR Specification, validation rules and appendices 2020 to 2021 to assist them with uploading the data correctly and in the format required by the ESFA. The ESFA will validate this data in line with their validation rules prior to it being forwarded to the WMCA. If the details for the learner do not pass the ESFA validation, it will not be received by the WMCA and will not generate funding. Further guidance can also be found in the ESFA Provider Support Manual 2020/21.
- 6.8 For devolved provision the ILR has a set of funding codes unique to WMCA delivery.
- Source of Funding code (SOF) - this enable providers to identify the funding agreement/Contract supporting WMCA residents, the code for the West Midlands is SOF 112.
  - A set of Devolved Area Monitoring (DAM) Codes – these are learning aim monitoring fields. Each aim can be flagged with up to six DAM codes. For information on DAM codes the ILR data collection guidance can be found [here](#).
- 6.9 The purpose of these codes is to identify learning aims that need to be monitored as part of flexibility or to identify elements that are being funded via the EAS.
- 6.10 Funding for learners may not be generated directly within the ILR but through the EAS report. Providers 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. The WMCA will fund an

individual providing the details of learner and funding are on both the ILR and EAS respectively. For information on EAS the ILR data collection guidance can be found [here](#).

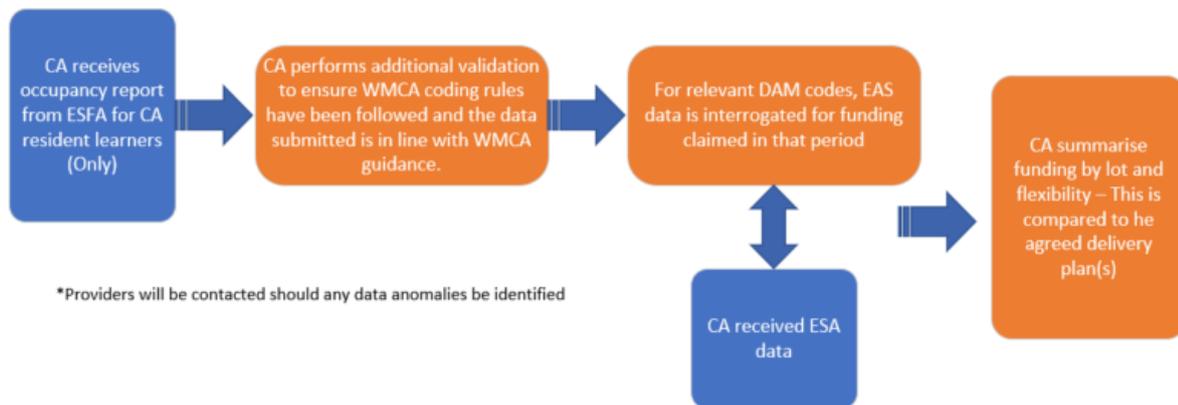
6.11 The diagram below sets out the additional steps you need to complete when preparing the ILR data for 2020/21.



6.12 Learning start date postcode - This is an important field and should record the postcode of the resident prior to the commencement of the learning aim, establishing that the learner has a WMCA postcode.

6.13 Data recorded on the ILR return will continue to be used to calculate funding earned by providers and will enable the WMCA, as part of its performance management arrangements, to compare actual volumes and earnings against the delivery plan agreed as part of your Contract/Grant agreement. The data gathered through the ILR will enable the ESFA to generate occupancy reports for both providers and the WMCA. These will confirm that the data submitted is valid, and confirm the actual funding earned. It will also be used to monitor progress against payment profiles.

Data validation undertaken by the WMCA



6.14 ILR data must be sent to the ESFA by uploading a file in XML (extensible mark-up language) format to ESFA's secure online portal, 'submit learner data portal' and this should be submitted on a monthly basis, in line with the ESFA data collection timetable.. If you do not have an MI system capable of generating an XML file, then you should use the ESFA ILR Learner Entry Tool which will enable you to create an ILR file for upload to the 'submit learner data portal'. ESFA and the WMCA recommend uploading the data as compressed files. The file must contain all Learner records, Learning Delivery records and Learner Destination and Progression records for all WMCA funded residents for the year to date.

6.15 As a provider, you must submit a single file containing all your learner, learning and destination records for all AEB funding for the year to date. Each file overwrites all previously submitted records by you. This means that you cannot split the data into separate files and

transmit each file separately. You cannot send records for learners funded from different funding models in separate files, as these will overwrite one another.

- 6.16 Destination and Progression data cannot be sent in a separate file to Learner and Learning Delivery data: doing so would cause the Learner and Learning Delivery records to be deleted from the ILR database. Once you submit a file to the Hub it cannot be deleted, if the file contains incorrect data this can only be corrected by submitting another ILR file to overwrite the incorrect one. The last file submitted by you will be the one loaded into the national database for that return.

**Earning Adjustment Statement (EAS)**

- 6.17 The use of the EAS continues to be expanded for 2020/21. This is to enable you to claim WMCA flexibilities that can't be captured via the ILR.

Examples of this could include:

- Lot 3 - claims for start, on-programme and outcome payments for learners engaged in innovative activity

- 6.18 EAS claims must be submitted by providers monthly and the values claimed will be reconciled with the occupancy reports, ILR and your agreed delivery plan.

**7. Payment Arrangements**

- 7.1 The WMCA will run the BACS payments on the 15th working day of each month. You will need to ensure that you have cash flow available to accommodate these payment terms.

- 7.2 Grant Providers will be provided, in advance of the start of the funding year, with a payment profile based on your agreed delivery plan, underpinned by your Grant/Contract. Contract for Services Providers will receive payment based on actual delivery. You will be advised in writing in advance of any in-year changes being made to the value of your Grant or Contract. WMCA reserve the right to cease payments, should you be in breach of your Contract/Grant. Co

- 7.3 The normal payment timeline is shown below:

Day of month	Action
Work day 4	Provider submits ILR to ESFA
Work day 5	ESFA runs validation checks
Work day 6	WMCA receives occupancy report
Work day 7	WMCA checks accuracy of return
Work day 15	WMCA Bacs run to providers

- 7.4 For all providers, funding agreements will span two financial years:

- August 2020 to March 2021: periods 1 to 8 of the 2020 to 2021 funding year
- April 2021 to July 2021: periods 9 to 12 of the 2020 to 2021 funding year

- 7.5 As a Grant-funded provider, you will have submitted and agreed a delivery plan for the 2020/21 funding year. The plan includes estimates of volumes, mix of provision, spend across the full range of provision you expect to deliver and reconciles to the total value of your Grant allocation. The Grant can be used only to fund new starts for adult skills, non-

formula funded community learning (where applicable to you) and learner support. The delivery plan will underpin your performance management dialogue.

7.6 Providers operating under grant arrangements will be paid on profile. The payment profile for the funding year 1 August 2020 to 31 July 2021 is set out below:

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Monthly profile	14.44%	8.56%	8.65%	7.06%	5.67%	7.42%	5.38%	5.34%	12.75%	10.26%	8.74%	5.77%
Cumulative monthly profile	14.40%	22.96%	31.61%	38.67%	44.34%	51.76%	57.14%	62.48%	75.23%	85.49%	94.23%	100%

## 8. Grant funding arrangements

8.1 Whilst payment mechanisms might be different, the new risk-based performance management principles will apply to all AEB providers, including those funded by Grant.

8.2 There will be management points where we will review allocations in line with the funding claim submissions, which will set out your actual delivery to date and provide a forecast for the remainder of the year. The management points for grant using the most recent set of submitted data will be:

- November 2020 – reviewing 2019/20 outturn for WMCA residents and 2019/20 R04
- Mid-year February 2021
- The year-end June 2021 including forecast
- Final October 2021 funding claim

8.3 The reviews may lead to an adjustment to the maximum contract value. We will work closely with both Colleges West Midlands (CWM) and Adult Community Learning Alliance (ACLA) to re-allocate plan-led funding from underperforming plan-led providers, and seek to re-allocate to those who can provide a clear rationale to meeting regional skills priorities through growth cases.

8.4 Performance reviews will include quality, delivery, finance, compliance and your overall progress against your delivery plan. The expectation is that in the 2020/21 academic year, formal performance management reviews will take place three times a year. This will be:

- Review up to R04 – January 2021
- Review up to R08 - April 2021
- Review up to R012 - July 2021
- End of Year – October 2021

If the risk profile of the Grant provider changes in-year, then the WMCA reserves the right to change the performance management arrangements it has with you.

### Grant funded end year performance reconciliation

8.5 For Grant-funded providers, at the end of the 2020 to 2021 funding year, the WMCA will apply a 3% reconciliation tolerance. Where your overall delivery of your WMCA-devolved

AEB is at least 97% of your Grant allocation, the WMCA will not make any year-end adjustment and you will not have to pay back any unspent funds.

- 8.6 The WMCA calculation of whether a provider has delivered 97% will include delivery confirmed through a review of their ILR, EAS information and their in-year overall performance. If you do not deliver 97% or above, we will confirm the value of funding you must pay back as part of the performance review where we discuss your reconciliation statement
- 8.7 Through our in-year monitoring, we will continually test that plan-led providers are focused on meeting their allocation at 100% to inform future changes to the reconciliation tolerances. The WMCA will not pay over 100% unless it agrees to do so.

## **9. Contract for services funding arrangements**

### **Contract funding principles**

- 9.1 ITPs who have secured a Contract with the WMCA will be subject to its risk-based performance management arrangements.
- 9.2 ITPs who have secured a Contract with the WMCA will be paid on actual delivery, one month in arrears, for the 2020/21 funding year. Your payments will be based on your actual delivery and reconciled against your proposed delivery plan on a monthly basis. At no stage will the cumulative payments made to a provider, breach the maximum value of the contract
- 9.3 Any over-delivery or delivery outside the agreed delivery plan will not be funded. Variations to contract values and delivery plans will need to be formalised through a contract variation which has been approved by WMCA
- 9.5 These arrangements will apply to all providers from August 2021, when those previously paid on profile (Green and Amber risk rated) move to being paid on actuals

### **Contract for services in-year performance management**

- 9.6 We will use your delivery plan, profiles, data submissions and compliance and audit assurance to performance manage your contract.
- 9.7 There will be management points where we will review allocations in line with the funding claim submissions, which will set out your actual delivery to date and provide a forecast for the remainder of the year. The management points for grant using the most recent set of submitted data will be:
- November 2020 – reviewing 2019/20 outturn for WMCA residents and 2019/20 R04
  - Mid-year February 2021
  - The year-end June 2021 including forecast
  - Final October 2021 funding claim
- 13.9 At key performance management points, we will recover funds where underperformance against performance tolerances are identified. Based on funds recovered we may make this available to fund growth requests covered later in this document. The WMCA will use the

following tolerances at key performance points during the year, when a provider falls outside of the tolerances we will recover underperformance related to funding value:

- R04 - 15% December
- R08 - 10% April
- R12 - 5% July
- R14 – 0% October

9.10 The WMCA will reserve the right to re-profile, reconcile or cease payments at any point during the funding agreement period.

9.11 Any provider with identified funding under-performance at any of the performance management points must work with their designated WMCA, Relationship manager and Compliance Officer by submitting a plan setting out how they intend to address under-delivery.

9.12 There will be no funding payment for over-delivery of the provider's Delivery Plan unless previously agreed with the WMCA and confirmed in writing

## **10. Provider Management Review and Monitoring**

10.1 At the monitoring points outlined above, you will need to complete a report, 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 expenditure or delivery. This report will provide qualitative information on your progress in terms of delivery, as well as financial and numerical data. WMCA will use these reports alongside your ILR, EAS and any performance review data, to review the overall position of all Grant Agreements and Contracts for Services

10.2 Throughout the year and at PMR points the WMCA will use risk-based RAG rating criteria to assess providers meet their obligations as set in the grant/services agreements related to quality assurance and raising standards, this will include areas such as:

- Progress in line with your profiled delivery at key monitoring points
- Outcomes including destinations
- Ability to respond to WMCA's strategic skills priorities;
- Good track record, including accuracy of forecasts you have provided at key monitoring points
- Ofsted inspection result and/or financial control.

10.3 This will indicate the level and frequency of WMCA monitoring to be undertaken. It is important to note that a provider's RAG rating can change in year, based on actual delivery, performance reviews and compliances checks. Providers will be graded as:

- Green – Low to no risk
- Amber – Low to medium risk
- Red – High risk

10.4 Should you fail to meet the requirements and obligations arising from your Grant/Services agreement, the WMCA may take appropriate informal/ formal action against you as required. This involves a three-stage approach as follows:

### **Level 1: Increased Monitoring**

- 10.5 Increased management intervention e.g. case conference, increased frequency in engagement, challenging performance and ensuring actions are taken on a timely basis.

### **Level 2 – Informal**

- 10.6 If data shows that performance is not in line with your delivery plan and funding profile, we will discuss with you the reasons why, and request that you develop a performance action plan to bring about improvement in performance. We will agree the actions with you for performance improvement, including incremental performance and pipeline data that may lead to improving performance levels in line with the agreement / contract.
- 10.7 If the remedial actions captured on the Action Plan are unable to lift your performance in order to meet the delivery profile performance levels, you will be invited to a meeting to discuss performance and receive a management letter to request specific performance improvement. At this stage you will be informed that formal action could be taken in the event that performance does not improve.
- 10.8 The Action Plan will be reviewed as part of your Performance Review. Moving to Level 2 – Informal within the Performance Management Framework will impact on your RAG rating, and therefore the level of providers monitoring.

### **Level 3 – Formal**

- 10.9 If formal action is required, WMCA will issue a serious breach with remedy notice in accordance with the terms of your Grant Agreement or Contract for Services, to address the minimum standards of service as set out in the grant / contract e.g. delivery plan and quality. WMCA will work with you to support the completion of a Performance Improvement Plan (PIP) and agree the level of management information required with timescales to enable scrutiny of performance improvement against agreed milestones.
- 10.10 In the event that performance does not improve sufficiently to meet the performance levels as required by the serious breach with remedy notice underpinned by the PIP, the WMCA may act to terminate your grant/services grant agreement.
- 10.11 The serious breach remedy notice will be reviewed as part of your Performance Review. Moving to Level 3 – Formal within the Performance Management Framework will impact on your RAG rating, and therefore the level of provider monitoring and scrutiny. It may also impact on any request for growth or contract extension for the funding years 2021/22 and 2022/2023.

## 11. Compliance

- 11.1 In order to gain this assurance, the WMCA's Compliance team will undertake regular compliance checks of all providers. The number of compliance checks undertaken per year will be dependent upon the RAG rating assigned to you as outlined above.
- 11.2 The compliance checks will include, but not be limited to:
- Systems and processes
  - ILR Data
  - EAS submission
  - Sample check of learner files
  - Sub-contracting arrangements
  - Other contractual requirements
- 11.3 WMCA will select a sample of learner files to check randomly using a method chosen by WMCA. The frequency, periodicity and size of the samples may change throughout the contract period
- 11.4 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.
- 11.5 We will require you to correct inaccurate ILR and EAS data or to adjust your final funding claim.

## 12. Changes to your AEB delivery plan / allocation

- 12.1 The WMCA will consider in-year growth requests subject to affordability and subject to such requests addressing the priorities. The WMCA will consider growth request in line with the following principles:
- Our Regional Skills Plan (RSP) will frame priorities for funding
  - We will operate within the integrity of the specification and contract award criteria set out in the skills portfolio commissioning and procurement framework
  - We will consult with Local Authorities, Jobcentre Plus (JCP) and other stakeholders as appropriate to validate requested changes in provision or identified gaps in localities
  - We will evaluate financial risk and exposure
  - Additional allocations and growth will only be considered where providers are meeting current delivery plan and outcomes
- 12.2 New funding and funding recycled from underperformance may be offered to Providers who meet the following criteria:
- If you have evidence of AEB eligible demand for learning that meets local priorities and delivers tangible outcomes;
  - If you have an AEB Grant Funding Agreement the progress you are making against your delivery plan and the priorities set out in the RSP;
  - If you have an AEB contract for service the progress you are making against your delivery plan with a specific focus on level 3, and you're and are on profile against the financial profile at the performance management points;

- You have a good track record of forecasting and delivery. Please note you will be judged on the accuracy of your forecasts for any future change requests;
- You are not under notice for failure of inspection or serious breach of contract under remedy notice.

12.3 In the instances where growth is awarded the providers delivery plan will be updated to reflect the growth and monitored against the review plan.

### **13. Contract Extensions**

13.1 WMCA may extend the contract on up to two occasions (up to a maximum of one year on each occasion), up to 31st July 2022 in line with specifications for Lot 1, 2, 3, 4, 5 and 6. Any extension will be subject to the provider's performance, government policy and funding availability.

13.2 In order to inform the decision-making process for contract extension, WMCA will use the quarterly key monitoring points outlined above to review your performance in line with your delivery schedule which forms part of your current contract. This will be considered alongside information collected as part of our Performance Management approach.

13.3 It is anticipated that decisions will be made and communicated to providers in May 2021, subject to WMCA having confirmation of our funding allocation. At this point you will be required to submit a Delivery Schedule for the 2021/2022 academic year.