



Skills Funding
Agency

Operational Performance Management Rules 2014 to 2015

Version 3

This document describes the performance-management rules for the 2014 to 2015 funding year. These rules apply from 1 August 2014.

March 2015

Of interest to providers and employers

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Introduction

This document sets out the performance-management rules for the 2014 to 2015 funding year. The rules apply to all providers of education and training that receive funding from the Chief Executive of Skills Funding. It forms part of the terms and conditions of funding and should be read along with the financial memorandum, conditions of funding (grant), contract for services, conditions of funding (grant) – employer, 24+ Advanced Learning Loans facility conditions, Apprenticeship Grant for Employers facility conditions and the Funding Rules 2014 to 2015.

The terms ‘we’ and ‘Skills Funding Agency’ refer to the Chief Executive of Skills Funding and associated staff.

When we refer to ‘you’ or ‘providers’, this includes colleges, training organisations, local authorities and employers that receive funding from us, or through a loans facility, to deliver education and training.

We use the term ‘funding agreement’ to refer to the financial memorandum, conditions of funding (grant), contract for services, conditions of funding (grant) – employer, 24+ Advanced Learning Loans facility conditions and Apprenticeship Grant for Employers facility conditions.

We use the term ‘learner’ to cover all those who receive education or training we have funded, either directly from the Chief Executive or through a loan.

The Chief Executive may make changes to these rules. We will publish any changes on our website.

The Hub’s Contracts & Finances page is an online service that will give you access to information about contracting and payments. From the 2014 to 2015 funding year, we will use the Contracts & Finances page to share your contract documents, funding statements, remittance reports (payments), subcontracting declarations and reconciliation statements.

Principles of Performance Management

This section sets out the principles by which we will manage your performance in the 2014 to 2015 funding year from August 2014 to July 2015, which spans two financial years: August 2014 to March 2015 (the latter part of the 2014 to 2015 financial year) and April 2015 to July 2015 (the beginning of the 2015 to 2016 financial year).

1. We will continue to apply different performance-management processes according to the type of funding agreement. Within those processes, we will apply our principles of performance management consistently to all providers.
2. We have no responsibility to pay any amount over your allocated funding for the funding year or financial year, as set out in your funding agreement for that year. You must manage your funding allocation or contract value as set out in Appendix 2 of your funding agreement.
3. You are responsible for making sure you understand the funding system and make the right choices for learners and employers.
4. You should prioritise your existing funding allocation or contract value to meet the needs of your Local Enterprise Partnerships (LEPs), deliver apprenticeships and deliver learning that will help people get back into work.
5. In response to the government's [Rigour and Responsiveness in Skills](#) policy, we will use your track record to assess your ability to deliver education and training to the required quality and standard. Your track record will take account of Ofsted grades, [Minimum Standards](#) of performance, financial health, financial management and control, and your previous delivery against your contract.
6. We will use our approach to funding to make sure learning provision is of a high quality.
7. We will maximise participation funds by identifying delivery that is below funding allocation or contract value (under-delivery) and redistributing funds to providers with a good track record and evidence of demand from employers or learners.
8. We will prioritise redistributing funds for delivering apprenticeships and traineeships.
9. If we increase your contract value through the performance-management process, you must use that extra funding to deliver the type of learning provision that you requested funding for.
10. We will make sure that any changes to the rules in this document are published at least three months before the changes come into effect, unless this is not possible due to changes in national policy.

11. We uphold the government's commitment to fund excellent vocational provision for young adults aged 16 to 18 so that they can take part in an apprenticeship or traineeship programme.
12. If we need more information to support our performance-management processes, we will try to use existing information produced from your own internal processes.

Adult Skills Budget

We will continue to fund the adult skills budget (ASB) according to the type of provider. This enables us to make sure that the appropriate terms and conditions are in place.

The two types of provider are:

- providers funded through a grant – these are providers with a financial memorandum or conditions of funding (grant)
- providers funded through a contract – these are providers with a contract for services or conditions of funding (grant) – employer

Providers funded through a grant

13. We will make payments on a standard national monthly profile, shown in Table 1 of Annex A.
14. Your contract for the 2014 to 2015 funding year will state the minimum amount of the ASB that we expect you to use to fund adult apprenticeships. We will only reduce this minimum amount if there are exceptional circumstances.
15. If you are a further education (FE) college and receive funding from us through a financial memorandum, you can ask us to move funding out of your adult apprenticeship contract into your non-apprenticeship ASB contract. These requests must be made on an exceptional basis only. Paragraphs 51 to 56 set out the arrangements that apply. You will need formal agreement from us before transferring any funding.
16. We will consider other requests to move funding out of your adult apprenticeship contract value into 19 to 24 traineeships at the performance-management points (as set out in Table 8 and Diagram 1 of Annex B). You will need formal agreement from us before transferring any funding.
17. You can ask for an increase to your 2014 to 2015 funding allocation or to move funding ('vire') within your funding allocation by sending a change request form to providerperformancemanagement@sfa.bis.gov.uk at any of the performance-management points throughout the year.
18. You must send your change request form to the email address above by the deadlines shown in Table 9 of Annex B. We will not accept any forms that are sent after the deadlines or to a different email address.
19. We will increase your funding allocation if:
 - funds are available
 - you have a good track record

- you can prove there is demand from employers or learners
- you are not under notice for Failure of Inspection, Financial Health or Financial Control
- you are not under notice for Minimum Standards in the type of provision you want the increase for
- we are confident that awarding an increase to your contract value is a good use of public funds

20. You must provide three funding claims setting out your actual delivery to date and, where appropriate, provide a forecast of your spending for the remainder of the funding year. The funding claims you must provide are:

- the mid-year funding claim (February 2015)
- the year-end funding claim (September 2015)
- the final funding claim (October 2015)

21. To make your funding claims, you must use our published funding claim form. The funding claim form and our [Funding Claims 2014 to 2015 guide](#) will contain more information on the claim process, evidence needed and audits.

22. We will use the information you provide in your funding claims to review your funding allocation for 2014 to 2015. If we have evidence that you will not deliver in full, we can reduce your funding allocation to a level that is in line with your actual delivery.

23. We will not apply an automatic year-end tolerance or automatic payment for delivery over your funding allocation to your final funding

claim. For any under-delivery, we will make a year-end adjustment to your funding allocation and you must pay back any funds you have not spent. We will confirm the value of funding you must pay back in your reconciliation statement.

24. We will use information from your funding claims when agreeing your funding allocation for 2015 to 2016. This will include looking at your track record and the accuracy of mid-year funding claims you have made in the past.

25. We can adjust your 2015 to 2016 funding allocation to reflect actual delivery declared on your 2014 to 2015 final funding claim.

Providers funded through a contract

26. We will pay you on the basis of your actual delivery each month, within your contract value. We will work out the value of your actual delivery using the latest validated Individualised Learner Record (ILR) and Earnings Adjustment Statement (EAS) data you provide.

27. Your contract for the 2014 to 2015 funding year will state the minimum value of the ASB that we expect you to use to fund adult apprenticeships. We will only reduce this minimum value if there are exceptional circumstances.

28. We will consider requests to move funding out of your adult apprenticeship contract value at the performance-management points. You will need formal agreement from us before transferring any funding.

29. You can ask for an increase to your 2014 to 2015 contract value or to move funding ('vire') within your contract value by sending a change request form to providerperformancemanagement@sfa.bis.gov.uk at any of the performance-management points

throughout the year. Those points are set out in Table 8 and Diagram 1 of Annex B.

30. You must send your change request form to the email address above by the deadlines shown in Table 8 of Annex B. We will not accept any forms that are sent after the deadlines or to a different e-mail address.
31. We will increase your contract value if:
 - your funds are available
 - you have a good track record
 - you can prove there is demand from employers or learners
 - you are not under notice for Failure of Inspection, Financial Health or Financial Control
 - you are not under notice for Minimum Standards in the type of provision you want the increase for
 - we are confident that awarding an increase to your contract value is good use of public funds.
32. We will measure your performance against a standard national profile (see Table 2 of Annex A) at the performance-management points throughout the year. Those points are set out in Table 8 and Diagram 1 of Annex B.
33. We will reduce your contract value where your performance against standard national profiles for the period in question is outside our published tolerance levels. The tolerance levels that we will apply at the performance-management points are set out in Table 3 of Annex A.
34. The reduction in your contract value will

reflect some or all of the value of the under-delivery to date, and will reduce the future profile of the under-delivery. We will not change this approach unless there are exceptional circumstances.

35. When we work out any reduction to your contract value, we will only include delivery to date above the standard national profile for apprenticeships. We will not include delivery to date above the standard national profile for non-apprenticeships.

The following sections apply to all providers with an ASB funding agreement.

Apprenticeships

36. In 2014 to 2015 we will fund adult apprenticeships for those aged 19 and over through the ASB.
37. 'Apprenticeship trailblazers', led by employers to develop concise and clear standards for apprenticeships, must be funded from your existing apprenticeship funding allocation or contract value.
38. We will manage the performance of trailblazer activity in line with the rules set out in this document.

Traineeships

39. You must use your existing non-apprenticeship ASB funding allocation or contract value to deliver traineeships for 19- to 24-year-olds.
40. If you do not receive Discretionary Learner Support funding from us, you may use your existing non-apprenticeship ASB funding allocation or contract value to

provide learner support for learners on a traineeship programme.

41. We will monitor the amount of funding you spend on learner support for trainees and will use this when we review any change request forms you send us at the performance-management points.
42. We will manage performance of your ASB funding allocation or contract value, including that for 19 to 24 traineeships, in line with the rules set out in this document.

Learning Support

43. You must provide learning support to learners from your existing ASB funding allocation or contract value.
44. We will manage the performance of your ASB funding allocation or contract value, including Learning Support, in line with the rules set out in this document.

English for Speakers of Other Languages (ESOL) Plus (Mandation)

45. You must use any ESOL Plus (Mandation) funding you have been allocated to deliver ESOL provision to the learners defined in your funding agreement.
46. We will manage performance of your ASB funding allocation, including that for ESOL Plus (Mandation), in line with the rules set out in this document.

Adjustments to earnings

47. For the 2013 to 2014 funding year we introduced 'transition factors' for one year to adjust earnings while we introduced a new funding system. We will not apply a transition factor (or any other protection) to adjust your earnings in the 2014 to 2015 funding year.

48. For the 2013 to 2014 funding year we applied ESOL protection to adjust earnings while we introduced a new funding system. We will not apply any ESOL protection in the 2014 to 2015 funding year.
49. For 2014 to 2015 there will not be a monthly learner funding cap. We will monitor where delivery appears to be poor value for money and discuss with you where this is the case.
50. We will continue to monitor the funding system to ensure compliance with the funding rules. We will contact you where we identify you have submitted data that does not meet our funding rules. We will ask you to correct inaccurate ILR and EAS data or to adjust your final funding claim.

The following section applies only to FE colleges with an ASB funding agreement and who are funding by a financial memorandum.

This section sets out the arrangements by which these providers can request us to move funding out of their adult apprenticeship contract.

51. If you are an FE college and receive funding from us through a financial memorandum, you can ask us to move funding out of your adult apprenticeship contract into your non-apprenticeship ASB contract. These requests must be made on an exceptional basis only. You will need formal agreement from us before transferring any funding.
52. You must use the College ASB Virement Request Form and send it to providerperformancemanagement@sfa.bis.gov.uk. You can send it at any time between now and 24 April 2015. You must give detailed supporting information demonstrating that:

- you have experienced a significant reduction in apprenticeship demand from a large employer/number of employers
 - you are unable to generate sufficient demand from existing or new employers that will enable you to deliver your existing adult apprenticeship contract value in full
 - you will deliver non-apprenticeship ASB provision that is a priority for your LEP(s) and which is currently unmet
53. You must provide a signed supporting letter from the appropriate LEP(s), agreeing that:
- there is no employer demand for apprenticeships that you can readily meet
 - your proposed alternative use of the funding meets their priorities
54. Your request must be for at least £50,000. You cannot request to move more than 25% of the value of adult apprenticeships in your 2013 to 2014 final funding claim. You cannot request to reduce your 2014 to 2015 adult apprenticeships contract value to less than value of adult apprenticeships in your 2013 to 2014 final funding claim.
55. If we agree your college ASB virement request:
- you can only apply for apprenticeship growth in the remainder of the 2014 to 2015 funding year if there are further exceptional circumstances
 - the agreed funding must be used for direct delivery
- only (that is, you must not subcontract delivery to another provider)
56. If we agree your college ASB virement request, it will only apply for 2014 to 2015:
- we will use your existing adult apprenticeships contract value for 2014 to 2015 when we calculate your 2015 to 2016 ASB funding allocation
 - we cannot commit to consolidating the increase to your non-apprenticeships funding when we calculate your ASB funding allocation for 2015 to 2016

16 to 18 Apprenticeships and Traineeships

This section applies to all providers with a 16 to 18 funding agreement. We continue to manage the delivery of 16 to 18 apprenticeships on behalf of the Education Funding Agency.

We will also continue to manage the delivery of 16 to 18 traineeships on behalf of the Education Funding Agency for providers that are not funded by them.

57. We will pay you on the basis of your actual delivery each month. We will work out the value of your actual delivery using the latest validated ILR and EAS data you provide.
58. Your 2014 to 2015 funding agreement will state the maximum value of 16 to 18 traineeships, including discretionary bursary funding, you can deliver from your overall 16 to 18 apprenticeship contract value.
59. We will consider requests to move funding into 16 to 18 traineeships at the performance-management points (as set out in Table 8 and Diagram 1 of Annex B). You will need formal agreement from us before transferring any funding.
60. You can ask for an increase to your 2014 to 2015 contract value or to move funding ('vire') within your contract value by sending a change request form to providerperformancemanagement@sfa.bis.gov.uk at any of the performance-management points throughout the year. Those points are set out in Table 8 and Diagram 1 of Annex B.
61. You must send your change request form to the email address above by the deadlines shown in Table 8 of Annex B. We will not accept any forms that are sent after the deadlines or to a different email address.
62. We will increase your contract value if:
- funds are available
 - you have a good track record
 - you can prove there is demand from employers or learners
 - you are not under notice for Failure of Inspection, Financial Health or Financial Control
 - you are not under notice for Minimum Standards in the type of provision you want the increase for
 - we are confident that awarding an increase to your contract value is a good use of public funds
63. We will measure your performance against a standard national profile (see Table 4 of Annex A) at the performance-management points throughout the year. Those points are set out in Table 8 and Diagram 1 of Annex B.

64. We will reduce your contract value if your performance against standard national profiles for the period in question is outside our published tolerance levels. The tolerance levels that we will apply at performance-management points are set out in Table 5 of Annex A.
65. The reduction in your contract value will reflect some or all of the value of under-delivery to date, and we will reduce the future profile of the under-delivery. We will not change this approach unless there are exceptional circumstances.

Community Learning

This section applies to all providers with a Community Learning funding agreement.

66. You will be paid on the standard national profile shown in Table 6 of Annex A.
67. You must provide a final funding claim setting out your actual spend against your funding allocation for the 2014 to 2015 funding year in October 2015.
68. We will review the actual spend in your final funding claim against the ILR data you have provided.
69. We will not apply an automatic year-end tolerance or automatic payment for delivery over your funding allocation to your final funding claim. For any under-delivery, we will make a year-end adjustment to your funding allocation and you must pay back any funds you have not spent. We will confirm the value of funding you must pay back in your reconciliation statement.
70. We can adjust your 2015 to 2016 funding allocation to reflect your actual delivery declared in your 2014 to 2015 final funding claim and ILR data.

24+ Advanced Learning Loans Facility

This section applies to all providers that have a loans facility.

reduce your loans facility. We will focus first on providers that have delivered small values of loans-funded activity.

71. To manage the loans budget we will use information from the Student Loans Company on loans commitments (approved loans).
72. You can ask for an increase to your loans facility by sending a [Loans Facility and Bursary Adjustment Request Form](#) to 24plusall-facilityrequests@sfa.bis.gov.uk.
73. You can also use the Loans Facility and Bursary Adjustment Request Form to request a facility if you do not have one. You must have an ASB funding agreement with us.
74. When considering whether or not to increase your loans facility, we will consider your current performance, your track record and the amount of funding available nationally.
75. We will respond to these requests within two working days. This process, set out in Diagram 3 of Annex C, is open to you at any time and there is no specific timetable.
76. We will review delivery against the national loans budget. We will only reduce your loans facility if there is a risk that the demand for loans may go over the national budget.
77. We will contact you if we need to

Discretionary Learner Support and 24+ Advanced Learning Loans Bursary

This section applies to all providers with a Discretionary Learner Support or Loans Bursary funding agreement. The Loans Bursary Fund must be used to fund the 'area cost uplift' (funding to cover the extra cost of delivery in London and parts of the South East) and to provide learner support and learning support.

(February 2015)

- the final funding claim (October 2015)

Providers funded through a grant

78. You can use your combined 24+ Advanced Learning Loans Bursary Fund and Discretionary Learner Support funding allocations to support grant-funded learners and learners funded through a loan.
79. Your 24+ Advanced Learning Loans Bursary Fund and Discretionary Learner Support funding will be paid in three stages (that is, you will receive 'profile' payments): 50% in August, 25% in January and 25% in April.
80. You must provide two funding claims giving details of the amount of your 24+ Advanced Learning Loans Bursary Fund and Discretionary Learner Support funding you have used. Where appropriate, you must also provide a forecast of your spending for the rest of the year. The funding claims required are:
 - the mid-year funding claim
81. We will use information from the latest validated ILR and EAS data you provide to review your actual spend on learning support and area cost uplift for learners funded by a loan. We will use this and the spending from your mid-year funding claim when agreeing your final funding allocation for 2015 to 2016.
82. At the end of the year we will compare the amount of 24+ Advanced Learning Loans Bursary Fund and Discretionary Learner Support funding you have used to support learners against your combined 24+ Advanced Learning Loans Bursary Fund and Discretionary Learner Support funding allocations.
83. We will not apply an automatic payment for spending over your combined funding allocation and you must pay back any funds you have not spent. We will confirm the value of funding you must pay back in your reconciliation statement.
84. We can adjust your 2015 to 2016 funding allocation to reflect your actual spending declared in your 2014 to 2015 final funding claim.

Providers funded through a contract

Discretionary Learner Support

85. You can only use your Discretionary Learner Support funding allocation to support learners who are not funded through a loan.
86. Your Discretionary Learner Support funding will be paid in three stages (that is, you will receive 'profile' payments): 50% in August, 25% in January and 25% in April.
87. You must provide two funding claims giving details of your actual spend to date and, where appropriate, provide a forecast of your spending for the rest of the funding year. The funding claims required are:
 - the mid-year funding claim (February 2015)
 - the final funding claim (October 2015)
88. We will not apply an automatic tolerance or automatic payment for spending over your funding allocation to your final funding claim. For any under spend we will make a year-end adjustment to your funding allocation and you must pay back any funds you have not spent. We will confirm the value of funding you must pay back in your reconciliation statement.
89. We will use information from your funding claims when agreeing your funding allocation for 2015 to 2016. This will include looking at your track record and the accuracy of previous mid-year funding claims.
90. We can adjust your 2015 to 2016 funding allocation to reflect your actual spending declared in your 2014 to 2015 final funding claim.

Providers funded through a contract

24+ Advanced Learning Loans Bursary Fund

91. You must use your 24+ Advanced Learning Loans Bursary Fund to support learners funded through a loan. You can use the 24+ Advanced Learning Loans Bursary fund for both Learner Support and Learning Support.
92. We will pay you a fixed rate each month for eligible learners within your contract value. The rates for Learner Support and Learning Support are shown in the [Funding Rates and Formula](#). We will work out the value of funding to be paid using the latest validated ILR and EAS data you provide.
93. If you can prove that you cannot meet demand from your existing 24+ Advanced Learning Loans Bursary Fund contract value, we will review this in line with the process for changing your loans facility. Any increase to your 24+ Advanced Learning Loans Bursary Fund contract value will depend on the funding available nationally and your track record.
94. We will review your actual spend, using the latest validated ILR and EAS data you provide, at the performance-management points throughout the year. Those points are set out in Table 8 and Diagram 1 of Annex B. We can reduce your funding allocation in line with your loans facility if we have evidence that you will not use your full funding allocation.

European Social Fund

2007 to 2013 programme

This section applies to all providers with a European Social Fund contract.

95. We will pay you on the basis of your actual delivery each month. We will work out the value of your actual delivery using the latest validated ILR and [Delivery Statement](#) data you provide.
96. We will not pay for any delivery above the value of the individual deliverable line shown in your funding agreement.
97. Any agreed changes to your contracts must be signed by you and us before your funding agreement ends.
98. We will measure your performance at the performance-management points throughout the year. Those points are set out in Table 10 and Diagram 1 of annex B. The performance-management process is shown in Diagram 4 of Annex C.
99. We will measure your performance against the delivery profiles we have agreed with you and against the wider 'deliverables' set out in your funding agreement.
100. We will reduce your contract value if you fail to deliver in line with your delivery profiles. The reduction will reflect some or all of the value

of the under-delivery to date, and will reduce the future profile of the under-delivery. We will not change this approach unless there are exceptional circumstances.

101. We will base any adjustments to your contract on a complete assessment of your ability to deliver the amount of provision the funding agreement covers. This includes how your delivery profile fits with the timescale you have left to deliver the rest of the contract.

2014 to 2020 programme

We are currently working with the European Social Fund Managing Authority and LEPs to develop the 2014 to 2020 European Social Fund programme. We will provide more information on the performance-management arrangements when it is available.

London European Social Fund Apprenticeship Grant for Employers (ESF AGE)

This section applies to all providers with a London ESF AGE facility.

London ESF AGE helps businesses in London, which would not otherwise be in a position to do so, to recruit young people (16- to 24-years-old) through the apprenticeship programme by providing up to five grants of £1,500 or £3,000 (depending on the size of the employer) to eligible employers.

Your London ESF AGE facility contract is for the 2014 to 2015 funding year.

102. Your London ESF AGE facility is the total value of grants available for you to support employers recruiting 16- to 18-year-old apprentices and 19- to 24-year-old apprentices.
103. Your 2014 to 2015 funding agreement will state the maximum value of London ESF AGE for 16- to 18-year-olds, and the maximum value of London ESF AGE for 19- to 24-year olds, within your overall London ESF AGE facility.
104. We will pay you on the basis of actual delivery each month. We will work out the value of your actual delivery using the latest validated ILR and [Delivery Statement](#) data you provide.
105. We will only pay you up to the maximum value of your London ESF AGE facility for each age group. If your delivery exceeds your London ESF AGE facility, you must request an increase to your London ESF AGE facility.
106. You can ask for a change to your maximum value of London ESF AGE for 16- to 18-year-olds and your maximum value of London ESF AGE for 19- to 24-year-olds by sending a London ESF AGE Facility Adjustment Request Form to providerAGEfacilitymanagement@sfa.bis.gov.uk.
107. You can also use the London ESF AGE Facility Adjustment Request Form to request a London ESF AGE facility if you do not have one. In this instance, you must have a 16 to 18 apprenticeships funding agreement or an ASB funding agreement with us.
108. When considering whether or not to increase your London ESF AGE facility, we will consider your current performance, your track record and the amount of funding available nationally.
109. We will respond to these requests within two working days. This process, set out in Diagram 5 of Annex C, is open to you at any time and there is no specific timetable.
110. We will review delivery against the

national London ESF AGE budget. We will only reduce your London ESF AGE facility if there is a risk that the demand for London ESF AGE may go over the national budget.

111. We will contact you if we need to reduce your London ESF AGE facility. We will focus first on providers that have delivered small values of London ESF AGE activity.

Offenders' Learning and Skills Service (OLASS)

This section applies to all providers with an OLASS funding agreement.

To manage delivery of offender learning, prisons are grouped into clusters and offenders can transfer between prisons in the same cluster. Each cluster is then grouped into a 'unit of procurement' (unit). Providers have contracts to deliver education and training to one or more units.

Your OLASS contract will show the contract value for each unit for the 2014 to 2015 funding year.

112. You will be paid on the standard national profile shown in Table 7 of Annex A.
113. We will work out the value of your actual delivery using the latest validated ILR and EAS data you provide for each prison, cluster and unit.
114. We will measure your performance against a standard national profile (see Table 7 of Annex A) at the performance-management points throughout the year. Those points are set out in Table 11 and Diagram 1 of Annex B. The performance-management process is shown in Diagram 6 of Annex C.
115. We will work out a reduction to your contract value if you fail to deliver within the published tolerances. The tolerance levels that we will apply at the performance-management points are set out in Table 3 of Annex A. The reduction will reflect some or all of the under-delivery to date, and will reduce the future profile of the under-delivery.
116. We will review these measurements with you and representatives from the National Offender Management Service (NOMS) during the performance-management review. At the review, the lead governor can propose increases or reductions to the contract value for the unit of procurement.
117. We will use the performance-management points to adjust contract values to reflect changes to the prison estate (including prison closures, opening new prisons or changes to the type of prison).
118. We can adjust your contract values if we have evidence that they are no longer suitable, based on the information you have provided on ILR and EAS.
119. We will review and approve proposed increases if:
- funds are available
 - you are not under notice for Failure of Inspection, Financial Health or Financial Control

- you have support from your [OLASS Governance Board](#)
- you have a good track record of delivery and can demonstrate that you could deliver education and training to an increased contract value
- prison populations at the prisons you have requested increases for have increased, and that increase is not reflected in your contract value
- the increased delivery or increased prison population is in line with the Transforming Rehabilitation agenda
- we are confident that the increased contract value is a good use of public funds

120. You must provide a final funding claim setting out your actual spend against your contract for the 2014 to 2015 funding year in November 2015.

121. We will not apply an automatic year-end tolerance or automatic payment for delivery over your contract value to your final funding claim. For any under-delivery, we will make a year-end adjustment to your contract value and you must pay back any funds you have not spent. We will confirm the value of funding you must pay back in your reconciliation statement.

Apprenticeship Grant for Employers (AGE)

This section applies to all providers with an AGE facility. AGE helps businesses, which would not otherwise be in a position to do so, to recruit young people (16- to 24-year-olds) through the apprenticeship programme by providing grants of £1,500 for each apprentice to eligible employers.

Your AGE facility contract is for:

- the 2014 to 2015 financial year, which ends March 2015, and/or
- the 2015 to 2016 financial year, of which April to July 2015 falls within the 2014 to 2015 funding year.

From 1 April 2015, the Greater Manchester Combined Authority has control of the AGE budget for Greater Manchester. AGE facilities for the 2015 to 2016 financial year do not include apprenticeship starts for employers based in Greater Manchester from that date.

Details of the Greater Manchester AGE programme will be announced once further information is available. Similar programmes may be introduced for other cities or localities that would affect AGE facilities; we will announce these when they are confirmed.

122. Your AGE facility is the total value of grants available for you to support employers recruiting 16- to 18-year-old apprentices and 19- to 24-year-old apprentices.
123. Your 2014 to 2015 funding agreement will state the maximum value of AGE for 16- to 18-year-olds, and the maximum value of AGE for 19- to 24-year-olds, within your overall AGE facility.
124. You must not claim AGE for apprentices with employers based in Greater Manchester whose start date is on or after 1 April 2015.
125. We will pay you on the basis of your actual delivery each month. We will work out the value of your actual delivery using the latest validated ILR data you provide.
126. We will only pay you up to the maximum value of your AGE facility for each age group. If your delivery exceeds your AGE facility, you must request an increase to your AGE facility.
127. You can ask for a change to your maximum value of AGE for 16- to 18-year-olds and your maximum value of AGE for 19- to 24-year-olds by sending an AGE Facility Adjustment Request Form to providerAGEfacilitymanagement@sfa.bis.gov.uk.

128. You can also use the AGE Facility Adjustment Request Form to request an AGE facility if you do not have one. In this instance, you must already have a 16 to 18 apprenticeship funding agreement or an ASB funding agreement with us.
129. When considering whether or not to increase your AGE facility we will consider your current performance, your track record and the amount of funding available nationally.
130. We will respond to these requests within two working days. This process, set out in Diagram 5 of Annex C, is open to you at any time and there is no specific timetable.
131. We will review delivery against the national AGE budget. We will only reduce your AGE facility if there is a risk that the demand for AGE may go over the national budget.
132. We will contact you if we need to reduce your AGE facility. We will focus first on providers who have delivered small values of AGE activity.

Annex A: Standard National Profiles and Performance-management Tolerances

The following tables refer to P1 through to P12. These represent the funding-year periods where P1 is August and P12 is July.

Table 1. ASB standard national payment profile for providers funded through a grant

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Adult Skills Budget monthly profile	12.56%	9.44%	9.56%	7.44%	5.60%	5.60%	5.20%	5.16%	12.56%	11.60%	9.60%	5.68%
Adult Skills Budget cumulative profile	12.56%	22%	31.56%	39%	44.60%	50.20%	55.40%	60.56%	73.12%	84.72%	94.32%	100%

Table 2. ASB standard national profile for providers funded through a contract

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Adult Skills Budget monthly profile	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.19%	8.24%	8.19%	8.78%	8.78%	8.74%
Adult Skills Budget cumulative profile	8.18%	16.36%	24.54%	32.72%	40.90%	49.08%	57.27%	65.51%	73.70%	82.48%	91.26%	100%

Table 3. Performance-management tolerances for the ASB and OLASS

Performance-management point	1	2	3
Month	November 2014	February 2015	May 2015
Tolerance (percentage of cumulative profile to date)	12%	6%	3%
Lower threshold for contract value adjustments	£10,000	£10,000	£10,000

Table 4. Standard national profile for 16 to 18 apprenticeships and traineeships

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
16 to 18 apprenticeships and traineeships monthly profile	8%	8%	8%	8%	8%	8%	8.19%	8.15%	8.19%	9.14%	9.14%	9.19%
16 to 18 apprenticeships and traineeships cumulative profile	8%	16%	24%	32%	40%	48%	56.19%	64.34%	72.53%	81.67%	90.81%	100%

Table 5. Performance-management tolerances for 16 to 18 apprenticeships and traineeships

Performance-management point	1	2	3
Month	November 2014	February 2015	May 2015
Tolerance (percentage of cumulative profile to date)	12%	6%	3%
Lower threshold for contract value adjustments	£10,000	£10,000	£10,000

Table 6. Standard national profile for Community Learning

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Community Learning monthly profile	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.36%	8.33%	8.33%	8.33%	8.34%
Community Learning cumulative profile	8.33%	16.66%	24.99%	33.32%	41.65%	49.98%	58.31%	66.67%	75%	83.33%	91.66%	100%

Table 7. Standard national profile for OLASS

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
OLASS monthly profile	8.28%	8.28%	8.28%	8.29%	7%	8.29%	8.30%	8.35%	8.30%	8.89%	8.89%	8.85%
OLASS cumulative profile	8.28%	16.56%	24.84%	33.13%	40.13%	48.42%	56.72%	65.07%	73.37%	82.26%	91.15%	100%

Annex B: Performance-management Timetables

Table 8. Performance-management dates for ASB, 16 to 18 apprenticeships and traineeships

Performance-management points	Timeline		
	1	2	3
Change request form to be received	24 October 2014	27 January 2015	24 April 2015
Delivery information using the latest validated ILR data you provide	6 November 2014	5 February 2015	6 May 2015
Cases for increases to contract values reviewed by	5 November 2014	5 February 2015	6 May 2015
Cases for reducing contract values reviewed by	14 November 2014	13 February 2015	15 May 2015
Decision to approve or reject increases and reductions	28 November 2014	27 February 2015	22 May 2015
Providers told the outcome of our performance-management process	Week beginning 1 December 2014	Week beginning 2 March 2015	Week beginning 1 June 2015
Performance-management values published on our website by	23 January 2015	31 May 2015	3 July 2015

Table 9. Change request form availability

Funding the change request will apply to	Change request form	
	Published	Date to be received by
ASB – P1 to P8 only	20 August 2014	10 September 2014
ASB and 16 to 18 apprenticeships – P1 to P8 only	6 October 2014	24 October 2014
ASB and 16 to 18 apprenticeships, periods 1 to 12 (including movements between P1 to P8 and P9 to P12)	7 January 2015	27 January 2015
ASB and 16 to 18 apprenticeships – P9 to P12 only	1 April 2015	24 April 2015

Table 10. Performance-management dates for ESF

Performance-management points	Timeline		
	1	2	3
Delivery information using the latest validated ILR data you provide	4 December 2014	8 April 2015	4 June 2015
Moderation and review	December 2014	April 2015	June 2015
Sign-off	December 2014	May 2015	June 2015
Informing providers of the outcome of our performance-management process	December 2014	May 2015	June 2015

Table 11. Performance-management dates for OLASS

Performance-management points	Timeline		
	1	2	3
Delivery information using the latest validated ILR data you provide	6 November 2014	5 February 2015	6 May 2015
Moderation and review	November to December 2014	April 2015	May to June 2015
Sign-off	December 2014	March 2015	June 2015
Informing providers of the outcome of our performance-management process	December 2014	March 2015	June 2015

Annex C: Performance-management Processes

Diagram 2. ASB and 16 to 18 apprenticeships performance-management process

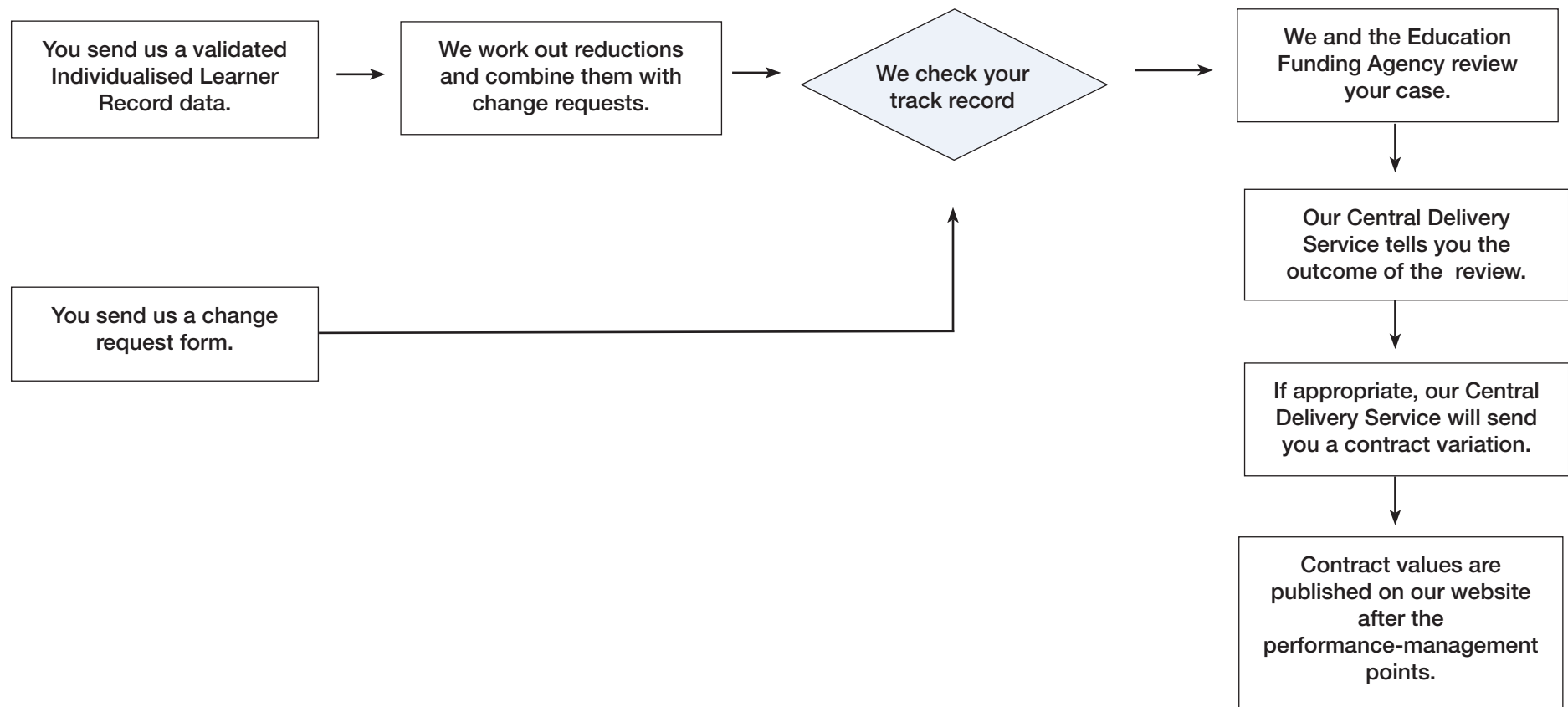


Diagram 3. 24+ Advanced Learning Loans performance-management process

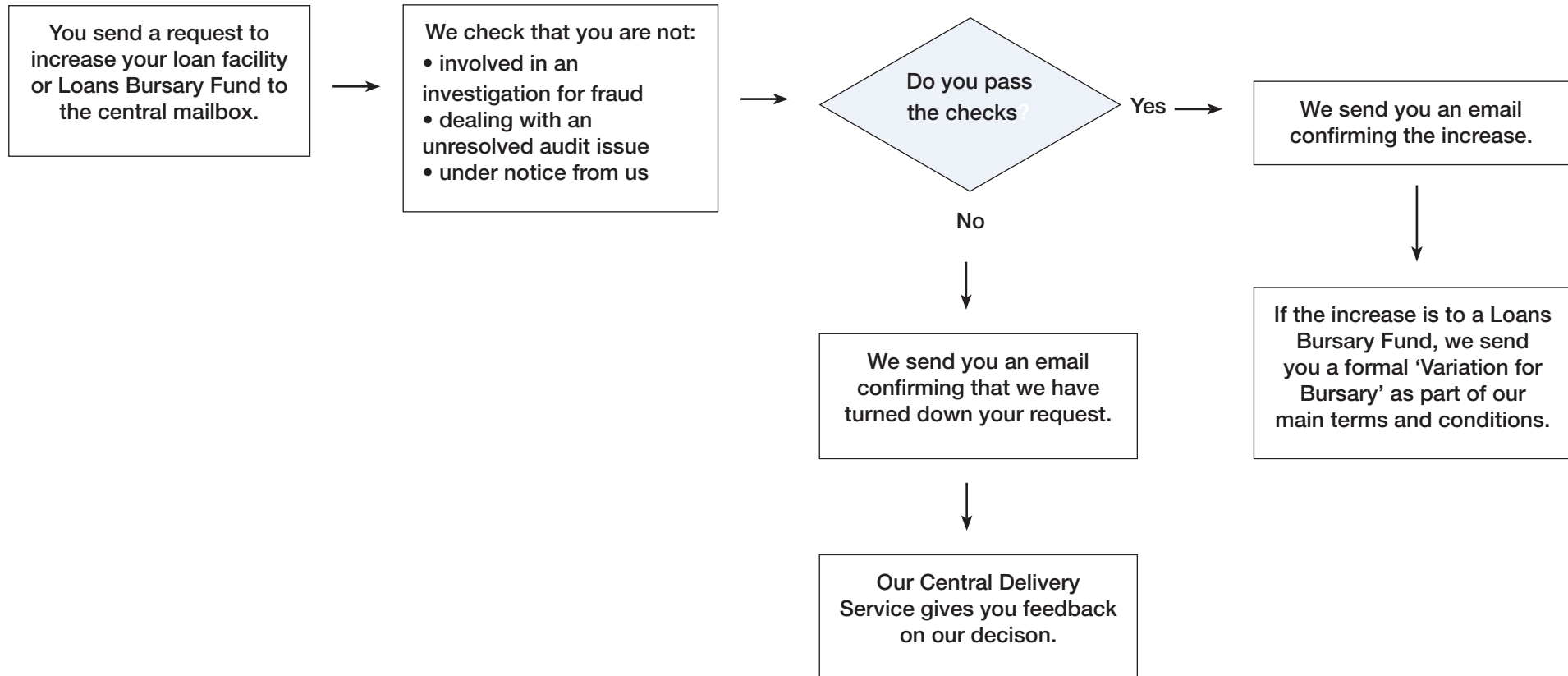


Diagram 4. ESF performance-management process

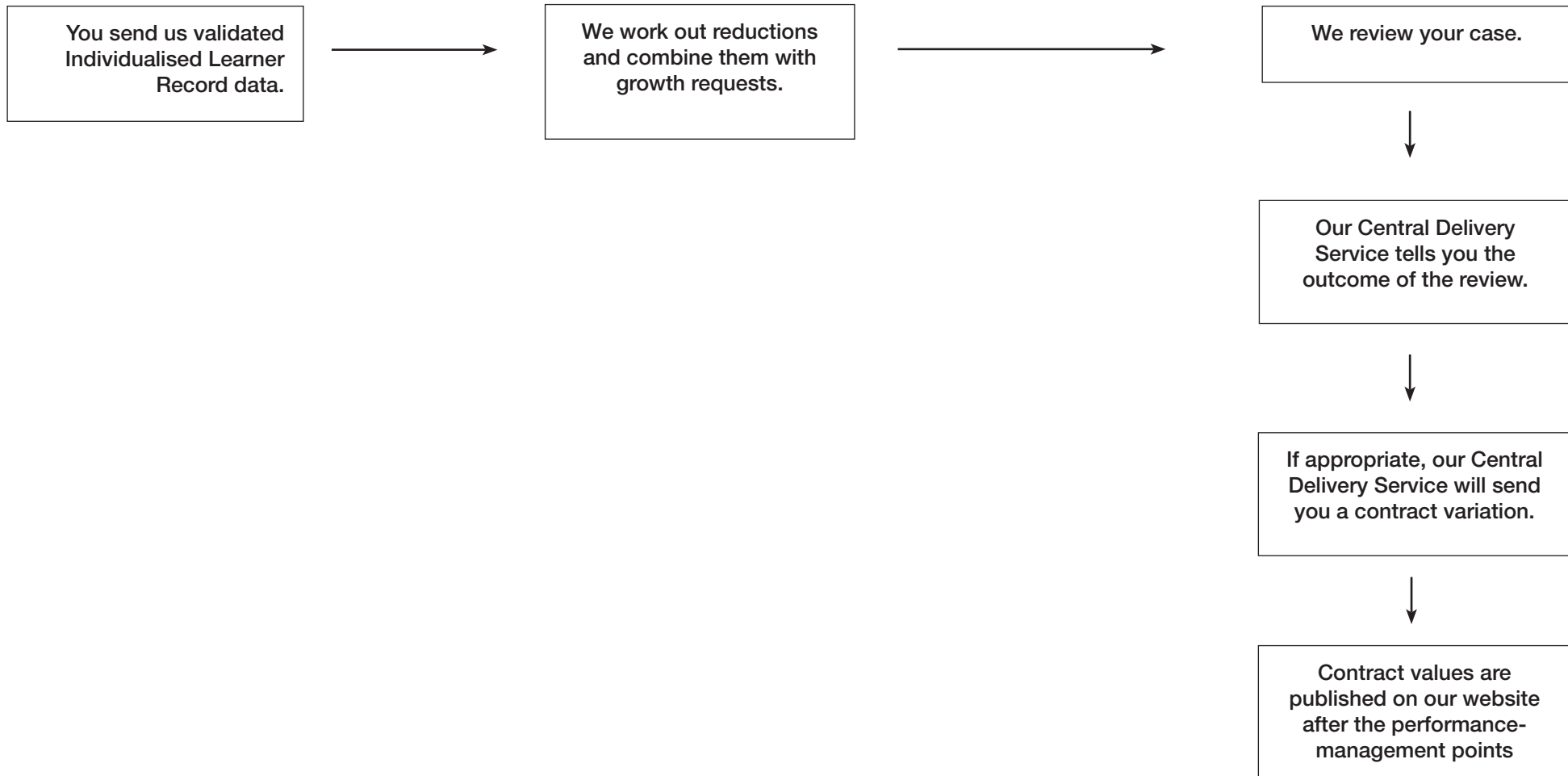


Diagram 5. AGE facility and London ESF AGE facility performance-management process

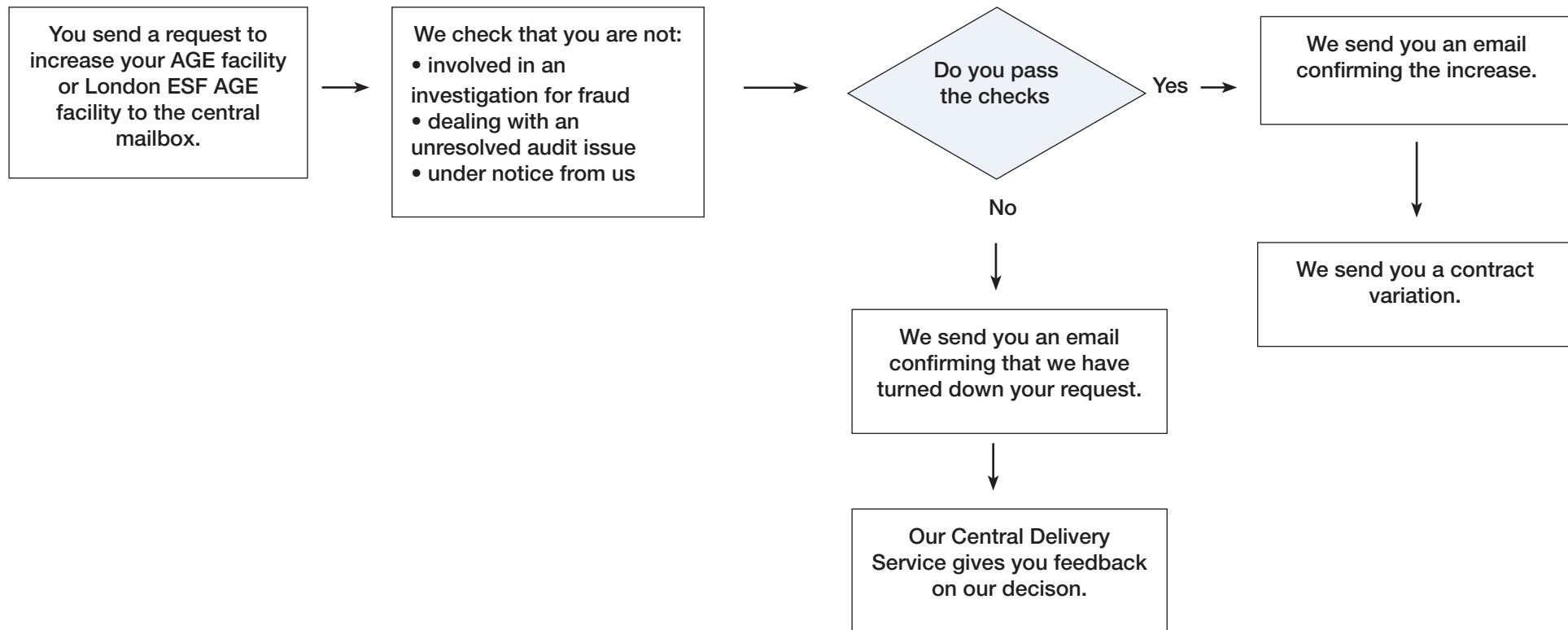


Diagram 6. OLASS performance-management process



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Publication number – P-150021

