

Performance Monitoring and Intervention Policy for Adult Skills 2025-26

Version 1. June 2025

This document outlines guidance on the Performance Monitoring and Intervention activity that the Authority will implement with all commissioned Providers of Adult Skills Funding, including Free Courses for Jobs funding and Skills Bootcamps for residents in the Cambridgeshire and Peterborough Combined Authority area.

To be read in conjunction with your Grant Funding Agreement or Contract for Services.

CPCA Performance Monitoring and Intervention Policy for Adult Skills 2025-26

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For Providers of Skills Provision commissioned by Cambridgeshire & Peterborough Combined Authority through the following funding streams:

- Adult Skills Fund (ASF)
- Free Courses for Jobs (FCFJ)
- Skills Bootcamps
- Skills Innovation Fund

Contents

Introduction and purpose of the document	3
1. The Authority's role and responsibilities	4
2. Shared responsibilities between the Authority and DfE	4
3. Ofsted	5
4. Audit	5
5. External Quality Assurance and Awarding Organisations (AOs)	6
6. Fraud and Irregularity	7
7. Enquiries, Investigations and Inspections	8
8. Provider Quality Control	8
9. Annual Accountability Statements	8
10. The Delivery Plan	10
11. How the annual Accountability Statement and Delivery Plan will be used	10
12. Deadline for submission of the accountability agreement & delivery plan	10
13. Authority Monitoring	11
14. Monitoring activities	11
15. Quarterly Strategic Review Meetings	11
16. Sampling strategy for desk-based audit	12
17. Risk Based Methodology	13
18. Annual Monitoring Delivery Cycle	16

Introduction and purpose of the document

The Authority is ambitious for the quality of education delivered through its Adult Skills funding streams and looks to work with providers who continually strive to offer an outstanding service. The Authority will seek to support high-quality Providers who deliver provision relevant to the education and training needs and interests of learners, as well as local employment opportunities, and align with regional and national skills priorities.

The Authority expects Providers to work with learners and employers to ensure that teaching, learning, and assessment enable learners to develop personal, social, and employability skills that

prepare them well for their intended job role, career aims, and/or personal goals. Furthermore, where appropriate, the Authority will expect the Provider to contribute to widening participation and developing stronger communities, in accordance with national and local priorities.

In addition to delivering high standards of education, Providers must provide provision that is fully compliant with funding rules and regulations published by CPCA and by the Department for Education (where appropriate) and other requirements issued by the Inspectorates (Ofsted), the Awarding Organisations and other Regulatory Bodies of which the Provider is aware.

The purpose of this document is to outline the Authority's approach to monitoring Provider performance and managing financial concerns. This document also sets out where the Authority will intervene when performance or the financial resilience of a Provider is below expected levels. The document supplements the information contained in the ASF Funding Rules and Providers should refer to this, in addition to their grant agreement or contract.

1. The Authority's role and responsibilities

In line with the Memorandum of Understanding between the Department for Education and Mayoral Authorities, the Authority must:

- Use all reasonable endeavours to ensure adult further education providers we fund adhere to the post-16 audit code of practice.
- Be responsible for assurance of our own funds.
- Share an annual assurance statement on the providers we fund, in an agreed template on a financial year basis. It is the responsibility of the DfE to determine the level of reliance they place on the statements of assurance.

It is the Authority's ambition to work with Providers to fulfil these duties to the highest possible standards. The Authority recognises that Providers are subject to multiple external and internal quality assurance activities, in addition to those implemented by the Authority. As such, the Authority will seek to secure evidence from the Providers' existing business practices as far as reasonably practicable.

2. Shared responsibilities between the Authority and DfE

- 2.1 The Authority and DfE officials meet every quarter to share intelligence and to discuss strategic development.
- 2.2 The DfE will share an annual letter outlining the assurance frameworks and oversight activities in place with providers across the region. The Authority will be informed of ASF audits that have been carried out once they have been completed.

- 2.3 The Authority will provide an annual assurance statement on the providers we fund.

3. Ofsted

- 3.1 The Authority recognises the role of Ofsted in inspecting colleges and independent training providers. The Authority has a strong strategic partnership with Ofsted and works closely with them regarding raising standards across the skills agenda. The Authority expects all commissioned providers to operate in line with the [Ofsted Education Inspection Framework](#) and produce an annual self-assessment report that highlights key strengths and areas for improvement. This should be shared with the Authority annually to recognise ways in which the Authority can contribute to the continued success of the Provider and intervene when issues arise.
- 3.2 **Ofsted Inspection:** When the Provider receives notification from an Inspectorate that the Services are to be inspected, the Provider will, on request, provide the Authority with details of its quality improvement activity and any other relevant information per the required timescale of the Inspectorate. The Provider must promptly notify the Authority of the date of the meeting at which an Inspectorate gives feedback on the inspection and allow the Authority's nominated representative to attend the meeting. The Provider must confirm to the Authority in writing the outcome of the inspection within five working days of receiving the feedback from the Inspectorate.
- 3.3 Ofsted may, at any time during the Agreement Period, undertake an inspection of the Provider. The Authority will consider the outcome of any such inspection and may, in its absolute discretion, act in accordance with that set out in the grant funding agreement/contract.

4. Audit

- 4.1 The Authority expects commissioned Providers to adhere to the **DfE Framework for auditors and reporting accountants of Colleges** and the **DfE Financial Handbook for Independent Training Providers** (which replaced the Post 16 audit code of practice, which the DfE withdrew on 26th March 2025) and continuously seek to improve services and raise standards to benefit learners. The Provider will have the primary responsibility for improving standards and must demonstrate to the Authority's satisfaction that it has an effective quality assurance system based on the implementation of its quality improvement process. The Authority reserves the right to require the Provider to provide evidence to support the quality improvement processes.
- 4.2 The Provider must use all reasonable endeavours to:

- Adhere to the [Framework for auditors and reporting accountants of colleges](#) and the [Financial handbook for independent training providers](#)
 - minimise dropout rates and deliver high completion and achievement rates and appropriate progression;
 - offer equality of access to learning opportunities and close equality gaps in learning and outcomes;
 - provide good management and leadership of the learning process;
 - deliver value for money and financial probity; and
 - ensure all Subcontractors delivering Services under an agreement on behalf of the Provider, adhere to all of the above.
 - take all reasonable steps to meet the relevant requirements for data gathering for Learner and Employer satisfaction data in line with the Authority's requirements that are in place at the relevant time.
- 4.3 The Authority may conduct audit activities, which at times may involve external organisations and Auditors who will support with the audit activity. Desk-based audits of evidence such as that retained by providers to demonstrate learner eligibility, along with evidence of learner participation and achievement of learning aims, will be sampled throughout the year. The Authority will provide a sampling plan so that the Provider can prepare and submit evidence for review.
- 4.4 The Authority will take appropriate and proportionate action should risks or audit anomalies arise. This is set out in the Grant Funding Agreement/Contract for services.

5. External Quality Assurance and Awarding Organisations (AOs)

- 5.1 The Authority expects commissioned Providers to work with multiple awarding organisations for the delivery of accredited and regulated learning.
- 5.2 Where appropriate, the Provider must confirm in writing to the Authority that their Centre Approval Status for the relevant services is still current. The written statement will need to confirm approved centre status for the specific Regulated Qualification Framework ("RQF") titles and levels, including Awarding Organisation name(s).
- 5.3 The Provider must notify the Authority immediately in writing if it receives any sanction from an Awarding Organisation, including but not limited to the suspension and/or removal of Centre Approval Status, Direct Claim Status and/or the removal of the ability to register or issue certificates to learners.

- 5.4 The Authority can request any Awarding Organisation reports, assessments and notices from the Provider at any time.

6. Fraud and Irregularity

- 6.1 The Provider must notify the Authority immediately where it becomes aware of any instance of suspected fraud or financial irregularity in the delivery of the adult skills provision, including, but not limited to, cases of:

- collusion with members of staff of the Authority or employees of the Department for Education;
- computer fraud;
- the submission to the Authority of inaccurate, incomplete, misleading or falsified information for the purpose of a claim for funding;
- fraud involving Awarding Organisations;
- fraud involving Subcontractors; provided that nothing in this Clause 19 will require the Provider to do anything, which may cause it to infringe any Law.

- 6.2 Where the Authority has reasonable cause to suspect that fraud or irregularity has occurred in relation to the delivery of adult skills provision and payments made hereunder, the Authority and/or its agents will have:

- right of access to the Provider's Premises (or that of any of its Subcontractors) at any reasonable time with or without notice to examine and remove or copy all relevant documents and records including electronic records;
- the right to require the Provider to provide written authority to enable the Authority to obtain such documents, records and/or information directly from third parties; and
- the right to interview the Provider's servants or agents engaged with the delivery of the Agreement.

- 6.3 Where the Authority has reasonable cause to suspect that fraud or irregularity has occurred in relation to the delivery of the Agreement and payments made hereunder, the Authority may require the Provider to procure the services of an independent accountant (or other equivalent/appropriate professional) to investigate at the Provider's cost (or the Authority will procure such an independent accountant and recharge the costs to the Provider at its sole discretion).

- 6.4 Where the Authority has reasonable cause to suspect that fraud or irregularity has occurred in relation to: the delivery of adult skills provision; or the delivery of any other agreement

between the Authority and the Provider; the Authority will have the right to suspend payments and/or require the Provider to suspend recruitment of Learners.

- 6.5 Where the Provider is a registered or exempt charity, the Provider will inform the Authority of any schemes, orders or official warnings issued to them by the Charity Commission. Failure to inform the Authority will constitute a breach of agreement.
- 6.6 The Parties will co-operate in the identification of Learners who may be unlawfully claiming benefits. The Authority may, from time to time, brief the Provider on the cooperation and assistance it reasonably requires, including the provision of information regarding fraud by Learners.

7. Enquiries, Investigations and Inspections

- 7.1 The Provider must and will ensure that its Subcontractors will at all times during the Agreement Period and for a period of six (6) years thereafter, at its own cost, fully co-operate with any enquiry, investigation or inspection (whether routine or specific) which in any way concerns, affects or relates to the Services, or any sum claimed or charged in relation to the Agreement with the Authority.

8. Provider Quality Control

- 8.1 The Provider must establish a robust internal quality control framework, including an internal audit function if appropriate, to ensure that it meets its obligations and those of its subcontractors under the grant funding agreement or contract with the Authority.
- 8.2 The Authority would expect this to be in the form of robust internal quality assurance processes, including but not limited to: lesson observations, internal quality assurance of assessment practice and audit/quality sampling of evidence linked to initial assessments, learning agreements, learner eligibility and sampling of learner work and assessments.
- 8.3 The Authority may request to see evidence of the Providers internal quality assurance processes and may request to observe practice.

9. Annual Accountability Statements

- 9.1 The Authority expects each provider who delivers adult skills provision through the devolved Adult Skills Fund (ASF) and Free Courses for Jobs to set out, on an annual basis, what they intend to deliver in return for the funding.

- 9.2 The Department for Education expects further education colleges and local authority providers (with a direct contract of over £1m) to complete and publish an Annual Accountability Statement by 30 June, before the preceding academic year commencing 1 August. Therefore, the Authority requires each FE College and Local Authority provider to share their statement annually.
- 9.3 Providers whom the DfE does not require to produce and publish an Accountability Statement will be expected, by the Authority, to do one. Independent Training Providers who fall into this category should use the following guidance. This guidance is aligned to the national guidance published by the DfE, which can be found here: [College and local authority accountability agreements - GOV.UK](#)
- 9.4 The ‘annual accountability statement’ is a document that is owned by the provider and should set out a small number of outcome targets for areas of their curriculum that they are planning to grow for the coming year. These targets reflect how they are contributing to priorities outlined in the local skills improvement plan (LSIP), being led by Cambridgeshire & Peterborough Combined Authority and the Cambridgeshire Chambers of Commerce, working with employers, providers and local stakeholders, including local authorities, and other agencies and national skills priorities listed below.
- 9.5 Providers must reflect on the previous year’s performance against outcome targets. Providers with a tailored learning allocation should refer to their tailored learning provision, particularly where this meets local skills needs.
- 9.6 In addition to sharing an annual accountability statement, all providers must complete a Delivery Plan template, which provides a high-level indicative plan of what courses will be offered. The Authority does not expect to receive detailed course information. Instead, it simply asks for the provider to state how much funding will be used to deliver regulated and non-regulated learning across the levels of learning (entry level to level four) and across sector skills areas (SSAs 1 to 15).
- 9.7 Providers with a Tailored Learning funding allocation are also expected to provide an indicative summary of how the funding will be split across the delivery of learning aligned to the ‘seven purposes of Tailored Learning’. Providers will also be expected to state their projected spending on continuing learners in the new academic year, Learning Support and Learner Support costs. This information will enable the Authority to gather a complete view of how providers intend to deliver adult skills annually across the region.
- 9.8 The introduction of annual accountability statements signals a shift in the relationship between the Authority and providers receiving grant funding and those with contracts for services. It provides a simpler set of expectations and requirements. Completion and receipt of the annual accountability statement and delivery plan are requirements for funding.

- 9.9 The Authority does not expect providers to include all their planned changes or all their provision in their annual accountability statement unless they think this is relevant (for example, the statement is not intended to duplicate the delivery plan).
- 9.10 The annual accountability statement should be a relatively concise public statement that sets out the key aims, targets, and outcomes for the year ahead, focusing on the changes the provider will make. Therefore, providers must highlight which elements of their offer constitute their main aims to meet skills needs in the coming year.
- 9.11 The accountability statement and delivery plan must be submitted to the Authority by the 30th June ahead of the new academic year starting on the 1st August.

10. The Delivery Plan

- 10.1 The high-level delivery plan will capture the planned delivery under the Adult Skills Fund throughout 2025-26. The Authority expects providers to give projected indicative figures within the plan. These should align closely with existing internal curriculum and course file planning processes. The Delivery plan template is in an Excel document that will be offered to all providers.

11. How the annual Accountability Statement and Delivery Plan will be used

- 11.1 The Authority will discuss the provider's accountability statement and delivery plan at the termly strategic conversation (where applicable) to ensure they meet the requirements in this guidance and review progress against outcomes referenced in the previous year, the impact of the current statement, and the provider's plans for future curriculum. The Authority expects that providers will want to use their annual accountability statement in discussions with local partners and national bodies (such as Ofsted). The annual accountability statement must be reviewed, updated, and returned annually.
- 11.2 The Delivery Plan will be used to review actual delivery against planned delivery and may be used to identify potential growth and innovation in the academic year.

12. Deadline for submission of the accountability agreement & delivery plan

- 12.1 Providers must share their annual accountability statement by 30 June 2025, so it is received and available to link to Grant Funding Agreements and contracts for services that will be issued for signing in June/July 2025 for the 2025 to 2026 academic and funding year. Submission of the annual accountability statement is a contractual requirement. Where

statements are not submitted on time and an extension has not been previously agreed, providers should expect to be contacted by the Authority to discuss the reasons for the delay. Non-compliance could lead to further conversations with and a termination of contract/grant funding agreement.

- 12.2 Providers must submit their Accountability Statement and Delivery Plan to the following email address: aebdevolution@cambridgeshirepeterborough-ca.gov.uk

13. Authority Monitoring

- 13.1 The Authority will undertake its own performance monitoring, and may elect, at its own cost, to undertake further monitoring at any stage during the Agreement Period for any purpose, including ensuring that the Services are being provided in accordance with the grant funding agreement or contract with the Authority.
- 13.2 The Provider must use its reasonable endeavours to assist the Authority in any performance monitoring exercise. The Authority may notify the Provider of the outcome of the performance monitoring exercise, and the Provider must have due regard to the Authority's comments in relation to the future provision of the services.

14. Monitoring activities

The Authority will conduct the following monitoring activities in partnership with the Provider:

- Quarterly Strategic Review Meetings
- Audit and desk-based sampling of evidence
- Reviews of supplementary quality assurance evidence supplied by the Provider, i.e., Annual Self-Assessment Report (SAR), Quality Improvement Plan (QIP) and reports from auditors, awarding organisations, etc.
- Monthly monitoring and analysis of occupancy reports against profiled delivery, based on ILR submission data
- Frequent communications via conversations, emails and meetings

15. Quarterly Strategic Review Meetings

- 15.1 The Authority will meet with each Provider every term to conduct a strategic review of delivery and performance.
- 15.2 Term 1 meeting will take place in October/November, Term 2 meeting will take place in February/March and Term 3 will take place in May/June.

15.3 Meetings will be scheduled one year in advance and will follow a structured agenda that will include the following topics for discussion:

- Delivery and performance – emerging developments and any critical issues
- Employer relationships and strategic partnerships
- Data and compliance
- Learner and employer satisfaction
- Safeguarding and Prevent
- Outcomes from any authority-led monitoring activities, including action plans and progress to date
- Regulatory inspections such as Ofsted, Matrix, internal and external audit (as appropriate)
- Learner outcomes, case studies, and celebrations
- Any other business

16. Sampling strategy for desk-based audit

16.1 A sampling plan will be developed and provided in August to support the desk-top sampling process. Sampling will be undertaken by suitably qualified members of the Skills Team with the relevant skills and expertise.

16.2 We intend to work closely with the provider to ensure that the sampling activity is closely aligned with their own quality assurance practice so as to not duplicate activity or overburden the Provider.

16.3 The overarching principle is for sampling to provide confidence that any evidence not sampled would meet the requirements of the funding rules. The Authority will use a risk-based sampling strategy that enables us to target the areas most likely to impact the validity or comparability of the evidence observed.

16.4 Desk-based audits will require the following types of evidence to be submitted to the Authority from the Provider:

- Learner eligibility checks, records of initial assessment and learning agreements
- ILRs, learning aims, planned versus actual guided learning hours
- Compliance with funding rules
- Coding guidance checks
- Policy review, including but not limited to safeguarding policy, assessment and enrolment policy, learning/learner support policy, fees policy, health and safety policy
- Internal controls for subcontracting

- RARPA evidence and evidence of standardisation practices
- Copies of External Verification Reports, especially when Direct Claims Status has been revoked
- Learner satisfaction surveys, employer surveys, stakeholder surveys

This list is not exhaustive.

17. Risk Based Methodology

- 17.1 Our Risk-Based Methodology enables the Authority to continuously assess risk based on the data that we receive from Providers. Consistent, accurate and timely ILR returns and the Earnings Adjustment Statement (EAS) data will underpin this methodology.
- 17.2 The flow of data enables us to proactively and proportionately manage our Grant Agreement and/or Contract for Services. It forms the basis of our conversations with Providers during Quarterly Strategic Reviews and informal updates. This will enable us to be proactive in our approach to risk.
- 17.3 The table below details the methodology the Combined Authority will use to rate and manage risk. Providers must also read and adhere to their Grant Funding Agreement/Contract for services, which outlines in detail the quality expectations of the Authority and how the Authority may act in the event of non-compliance.
- 17.4 RAG Rating Table:

<u>Risk rating</u>	<u>Risk Measures</u>	<u>Activity (may include, but not limited to)</u>
Green/ Low risk	<ul style="list-style-type: none"> • Adhering to all contractual obligations • Delivering agreed delivery plan • Submitting data as required • Demonstrating good partnership working • Audit conclusion is 'Good' • Ofsted grade is 'Good' or 'Outstanding', or equivalent 	<ul style="list-style-type: none"> • Quarterly Strategic Reviews • Audit and desk-based sampling of evidence • Reviews of supplementary quality assurance evidence supplied by the Provider, i.e., Annual Self-Assessment Report (SAR), Quality Improvement Plan (QIP) and reports from auditors, awarding organisations, etc. • Monthly monitoring and analysis of occupancy reports against profiled delivery, based on ILR submission data • Frequent communications via conversations, emails and meetings

Amber/ Medium risk	<ul style="list-style-type: none"> • Failure to deliver in line with the agreed delivery plan • Repeated incidents of late data submissions • Repeated incidents of data irregularities • Inconsistency in engagement with the Combined Authority • Concerns over financial sustainability • Audit conclusion is “Not Satisfactory” • Sanctions from awarding organisations • Poor satisfaction rates from learners/employers and other stakeholders • Ofsted grade is ‘Requires Improvement’ or equivalent 	<ul style="list-style-type: none"> • Increased monitoring activity from the list above, • The Combined Authority will agree a Performance Improvement Plan with the Provider with agreed timescales for improvement.
Red/ High Risk	<p>All of the above and;</p> <ul style="list-style-type: none"> • A serious breach in the Grant Agreement and/or Contract for Services • Failure to address audit concerns • Failure to address data irregularities • Failure to engage with the Combined Authority • Not meeting the objectives set out in agreed Action Plans 	<ul style="list-style-type: none"> • Significantly increased monitoring activity • The Combined Authority will agree a Performance Improvement Plan with the Provider, outlining agreed-upon timescales for improvement. • Possible cessation of delivery/enrolments • Possible termination of contract/GFA

	<ul style="list-style-type: none"> • Consistent concerns raised by learners/employers and other stakeholders • Ofsted grade is 'Inadequate' or equivalent 	
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18. Annual Monitoring Delivery Cycle

Month/	Activity relating to 2024 - 25	Activity relating to 2025 - 26	Activity relating to 2026 - 27
August 2025		2025-26 Skills Business Cycle published	
Sept 2025		R01 ILR Return	
Oct 2025		R02 ILR Return	
Nov 2025	Final data review and evaluation	Quarterly Strategic Review Meeting 1 R03 ILR Return	Strategic discussion
Dec 2025	Reconciliation letters issued	R04 ILR Return	
Jan 2026		R05 ILR Return	
Feb 2026		R06 ILR Return ASF Mid Year Funding Claim Providers SAR & QIP submitted	
Mar 2026		Quarterly Strategic Review Meeting 2 R07 ILR Return Growth requests submitted Growth requests approved	
Apr 2026		R08 ILR Return	Draft 2026-27 ASF funding rules published
May 2026		R09 ILR Return	
June 2026		R10 ILR Return	ASF Funding Rates & Formula published Accountability Statements submitted
July 2026		Quarterly Strategic Review Meeting 3 R11 ILR Return	Coding Guidance published
August 2026		R12 ILR Return ASF Year End Funding review Annual Strategic conversation	2026-27 Skills Business Cycle published

Sept 2026		R13 ILR Return	R01 ILR Return
Oct 2026		Final R14 ILR Return Provider R14 EAS Return ASF Final Funding review	R02 ILR Return
Nov 2026		Final data review and evaluation	Quarterly Strategic Review Meeting 1 R03 ILR Return
Dec 2026		Reconciliation letters issued	R04 ILR Return