West Yorkshire Combined Authority

Performance Management Framework 2025/26

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

This document sets out the performance management framework that apply to all providers of education and training who receive Adult Skills funding from the West Yorkshire Combined Authority.

Version 1 – August 2025

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This document forms part of the terms and conditions of funding and should be read in conjunction with the funding agreement. Provider's must operate within the terms and conditions of the funding agreement and this guidance document.

All information, including hyperlinks were correct on publication of this document and West Yorkshire Combined Authority reserves the right to make changes to this guidance.

1. Introduction to the Adult Skills Fund

1.1 In the response to the DfE consultation Skills for jobs: implementing a new further education funding and accountability system published in July 2023, the West Yorkshire Combined Authority Adult Skills Fund (ASF) has replaced the West Yorkshire Combined Authority funded Adult Education Budget (AEB).

1.2 The purpose of The Combined Authority's ASF is to support adult residents of West Yorkshire to gain skills which will lead to meaningful, sustained, and relevant employment, or enable progression to further learning or volunteering. Within ASF, further provision for Tailored Learning (TL) is available that supports wider outcomes such as to improve health and wellbeing, equip parents/carers to support their child's learning, and develop stronger communities. Through the agreement of delivery plans and ongoing provider management, the Combined Authority will align the ASF provision to current and future regional labour market needs.

1.3 The management of the Free Courses for Jobs delegated fund (formerly National Skills Fund Level 3 Offer) will be managed in line with the ASF Governance Process, Performance Management Framework and Funding Rules.

2. Governance

2.1 The Governance structure and decision-making process for the ASF is compliant with the West Yorkshire Combined Authority Assurance Framework and the ASF Strategy. The strategic level governance of ASF will be the Combined Authority, with advisory support by the Economy Committee (a member led advisory panel). The West Yorkshire Combined Authority is the accountable body responsible for commissioning devolved ASF provision. Regular updates will be provided to the public meetings of the West Yorkshire Combined Authority.

2.2 The Combined Authority's Adult Skills Performance Group has been established to monitor and review the delivery, outcomes, and impact of the Adult Skills Strategy, and advise on actions which should be taken regarding overall performance of providers, based on risk. The group will:

- Monitor provider performance against profile, delivery plans
- Support risk management of delivery and assurance of funds escalated via the Case Conference Group
- Provide expert technical, policy and legal advice to the Combined Authority Board, and Economy Committee

2.3 The ASF Case Conference Group will monitor provider performance in line with the risk criteria outlined in the Risk Management section 10. The group will provide assurance to the Inclusive Economy Lead regarding the strategic alignment and effective delivery of adult skills funding. This includes ensuring that contracts are being fulfilled as agreed, identifying any emerging risks, and escalating concerns to the ASF Performance Group where necessary, in accordance with the established risk management process.

3. Agreement Types

3.1 The Combined Authority have commissioned ASF provision through three routes as stated in the West Yorkshire ASF Strategy:

- Route 1: Grant allocation for West Yorkshire local authorities and FE colleges.
- Route 2: Grant allocations for Leeds City Region providers who were previously grant funded by the ESFA; and
- Route 3: Contract for Services awarded through a procurement exercise.

3.2 The principles guiding how the Combined Authority intends to work with providers delivering under the three types of agreements will remain consistent—open, transparent, and collaborative, underpinned by an agreed 12-month delivery plan.

3.3 The West Yorkshire Combined Authority grant agreements and contracts for services remain separate with different payment arrangements. If providers hold both funds cannot vire between the two, nor can funds vire between the West Yorkshire Combined Authority ASF and any other funding streams providers receive, however other funding streams can be used to complement ASF if it improves the chances of the resident progressing to next steps.

4. Partnership

4.1 The Adult Skills Partnership Groups will be used to bring together delivery partners and stakeholders to review impact of delivery in the local region, and to provide insight and advice to the Combined Authority on where, what and when provision might be needed. Discussions in these groups should feed into the Local Authority Employment and Skills Boards and the Combined Authority's ASF governance structure.

4.2 The Combined Authority aims to strengthen both new and existing relationships, and to develop ways of working with grant providers and contracted service partners, recognising the value of collaborative partnerships and place-based delivery in achieving high quality outcomes. The Combined Authority aims to support unemployed individuals in gaining and sustaining employment, unlocking progression opportunities, and enhancing career adaptability through skills development, particularly for those in low-paid or insecure work. The Combined Authority is committed to making learning more inclusive for disadvantaged residents, increasing the supply of skills to meet the needs of key sectors in West

Yorkshire, and improving the region's resilience by identifying and delivering the skills required for the future.

4.3 The Combined Authority will continue to work with its providers to identify ways of focussing the ASF to improve the impact and ensure training delivery is directly aligned to the ASF Strategy and Local Growth Plan. This guidance will be updated to reflect any changes.

4.4 The Combined Authority is keen to ensure there is a strong focus on how delivery looks within a place as well as at a West Yorkshire level for the ASF provision. To enable this the Combined Authority intends to provide a supportive and engaging environment whereby key stakeholders, including but not limited to local authorities and providers, can shape, contribute to and take ownership for the West Yorkshire adult skills provision.

4.5 Partnership meetings will take place throughout the duration of the contract to provide a forum in which the ASF programme and wider skills delivery can be openly discussed with providers, including referral partners such as Department for Work and Pensions (DWP), Local Authorities and other key stakeholders.

4.6 The Combined Authority will share with the local authority's key information such as, actual progress of delivery by local authority area and sector skills areas, split by resident volumes and value.

4.7 Attendance at partnership meetings, both at local authority level and for the Combined Authority are compulsory for all providers to attend.

5. Performance Management

5.1 The West Yorkshire Combined Authority are committed to support the delivery and successful performance of the ASF. Provider management and support will be conducted by the Adult Skills Leads and other Combined Authority officers as appropriate.

5.2 This document provides performance management guidance for contracts for services and grant funded providers in receipt of devolved West Yorkshire Combined Authority ASF funding for provision starting 1st August 2025. This document should be read alongside providers' contract for services or grant agreements, the West Yorkshire Combined Authority's Funding Rules, Performance Management framework and the ASF Funding Rates and Formulas guidelines, the DfE Individualised Learner Record (ILR) specification and [Provider Support Manual] and any other relevant sources referred to in those documents.

5.3 The Combined Authority will hold its providers to account through a risk-based performance management framework.

5.4 By adopting a risk-based approach to performance management, the Combined Authority has the capability to reallocate funding within the year in response to provider performance and regional need. Alongside regular performance management reviews, all providers are expected to identify when they are not meeting profiled delivery or when they are experiencing higher demand, enabling the Combined Authority to assess whether it is appropriate to redistribute funding.

5.5 The Combined Authority will achieve consistency of service across providers through:

- The ASF funding rules and agreements
- Performance management framework
- Funding rates and formulas guidelines
- Analysis of occupancy reports against profiled delivery, based on ILR submission data
- Compliance monitoring reviews
- The Combined Authority’s contractual audits conducted by the Combined Authority’s Internal Audit Team

6. Grant Funded Providers

6.1. The West Yorkshire Combined Authority has agreed a delivery plan and financial forecast with all grant funded providers, and this will be the key document against which providers will be performance managed. Financial re-forecasting will only take place if a contract variation has been approved.

6.2. Where underperformance is identified, the Combined Authority reserves the right to reprofile providers either within the current year or in subsequent years. If providers proactively identify underperformance and collaborate with the Combined Authority to manage it, the need for reprofiling will be discussed. However, if underperformance is not declared in advance, the Combined Authority reserves the right to automatically reprofile allocations.

6.3. Providers operating under a grant agreement, will be paid on a standard profile agreed in the delivery plan.

6.4. A tolerance of 3% will apply to grant funded providers (Route 1 and Route 2) at end of year reconciliation. If grant funded providers choose to deliver provisions which exceed the value of the grant, the Combined Authority is not required to fund any over delivery.

7. Contracts for Service Providers

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

7.2 The bid outlines the delivery offer content, which will be used to manage performance. Delivery plans and financial forecasts, as outlined in the bid, form part of the contract. Consequently, the Combined Authority will not be required to pay for any delivery that occurs outside the approved delivery plan.

7.3 All contract for service providers will be paid on actual delivery a month in arrears. Financial re-forecasting will only take place if a contract variation has been approved.

7.4 Contract for service providers are expected to utilise 100% of the funding, if this cannot be achieved the Combined Authority reserve the right to re-profile allocations and redistribute the funding. If a provider delivers provisions which exceed the value of the agreed contract the Combined Authority is not required to fund any over delivery.

8. Performance Management Methodology

8.1 The performance management methodology will apply across all providers.

8.2 The West Yorkshire Combined Authority will complete a **minimum** of three performance reviews during the year, which will be used to review the overall position of the Combined Authority's ASF funding in terms of expenditure and delivery. The frequency of performance reviews will be in line with a provider's risk rating.

8.3 Where available, a data pack will be shared in advance of a performance review which sets out performance to date, forecast to the end of the funding year, along with details of any existing or potential issues and risks relating to under or overperformance in terms of spend and delivery.

8.4 The performance review will focus on, depending on priorities for each meeting, is likely to cover, not exhaustive to, the following areas:

- Outcome of risk management review
- Actions arising from any previous performance review
- Monitoring of Performance Recovery plan actions – if applicable
- Performance including that reported in the ILR and EAS against the delivery plan and expected future performance
- Review of delivery models as confirmed in the delivery plan
- Review of learner journey (where appropriate)
- Sub-contractor and supply chain performance (where applicable)
- Compliance monitoring outcome
- Provider delivery strategic priorities

8.5 Based on the risk rating for the provider as defined in risk management section 10 below, performance reviews will be increased until the risk rating is reduced. The performance review frequency will be as follows:

Low risk: Providers will be subject to the **three** formal performance reviews and the provider visit each year and are required to demonstrate the standards required to maintain this risk banding.

Medium risk: Providers will be subject to performance reviews **every two months**, and the provider visit each year and are required to demonstrate the standards required to improve this risk banding.

Red/High risk: Providers will be subject to the **monthly** formal performance reviews and the provider visit each year and are required to demonstrate the standards required to improve this risk banding.

9. Provider Visits

9.1 Provider visits will be conducted a minimum of once a year for each provider. The aims of these visits are to:

- Understand the impact of the Combined Authority's adult skills provision and its alignment with the ASF strategy
- Explore progression routes and cohesive progression pathways
- Gain a deeper understanding of the intent and impact of provision
- Engage with learners to gather their feedback and experiences
- Talk to tutors to understand their perspective
- Gather case studies that highlight successes and areas for improvement.

10. Risk Management

10.1. For return dates see Data Collection Timetable 2025 to 2026 guidance.submit-learner-data.service.gov.uk/25-26/data-collection-timetable

10.2. Each of the following risks are measured as individual items. The overall risk is calculated using the individual risk elements to provide an overall provider risk rating:

Low (1) No significant concerns identified

- No Provider Improvement Notice in place. Any previous Performance Recovery plans have been implemented, may have some minor outstanding actions.
- Performance is on track and is in line with delivery plan:

Return date	R04	R06	R08	R10	R12
Forecast vs Actual	85%	90%	95%	95%	97%

- Compliance monitoring reviews have been sufficient with no remedial action necessary
- Data submissions (ILR) are on time, may have minor errors
- Funding is being spent in line with the delivery plan, within the contracted areas and specific contracted requirements
- Ofsted judgement for adult skills:
    - Secure or higher across the 6 key judgement areas,
    - Safeguarding standard of 'met'.
    - The Contribution to Meeting Skills Needs must be assessed as making at least a Reasonable Contribution.

    - Where providers have a historic judgement under the previous framework, an Ofsted rating of Good or Outstanding.
- There have been no awarding organisation sanctions within the current academic or financial year
- The Combined Authority Internal Audit most recent conclusion is Reasonable with no outstanding actions or making good progress against a current action plan
- The latest DfE audit outcome (if applicable) is Reasonable with no outstanding actions

Medium (2) Minor concerns identified

- Provider Improvement Notice has been issued within the last 3 months with minor or no outstanding Performance Recovery plan actions
- Performance is slightly behind tolerance of delivery plan:

Return date	R04	R06	R08	R10	R12
Forecast vs Actual	80-84%	85 -89%	90-94%	90-94%	92-96%

- Compliance monitoring reviews have been sufficient with some remedial action or recommendations necessary
- Data submissions (ILR) inconsistent with timing of submissions, has consistent and regular errors
- Funding is not consistently being spent in line with the delivery plan and/or some minor discrepancies to the contracted areas and/or specific contracted requirements
- Ofsted judgement for adult skills:
    - Secure in the majority of areas and must include secure in leadership and inclusion with the remainder of the judgment a minimum of 'attention needed'
    - Safeguarding standard of 'met'
    - The Contribution to Meeting Skills Needs must be assessed as making at least a Reasonable Contribution
    - Where providers have a historic judgement under the previous framework, an Ofsted rating of Requires Improvement
- There have been awarding organisation sanctions within the current academic or financial year that have now been closed
- The Combined Authority Internal Audit most recent report conclusion is Limited
- The latest DfE audit outcome (if applicable) is Limited
- The organisations credit report has decreased since previous check or has recent (within 6 months) financial notification from the DfE.

High (3) Significant concerns identified

- Provider Improvement Notice has been issued within the last 3 months with Performance Recovery plan actions
- Performance is significantly behind tolerance of delivery plan:

Return date	R04	R06	R08	R10	R12
Forecast vs Actual	0-79%	0-84%	0-89%	0-98%	0-91%

- Compliance monitoring reviews have been insufficient with significant remedial action necessary
- Data submissions (ILR) are consistently late and have errors
- Funding is not being spent in line with the delivery plan and/or with significant discrepancies to the contracted areas and/or specific project requirements
- Ofsted judgement for adult skills:
    - Attention needed or below in the 6 key areas
    - Safeguarding standard may be ‘met’ or ‘not met’
    - The Contribution to Meeting Skills Needs must be assessed as making at least a Reasonable Contribution
    - Where providers have a historic judgement under the previous framework, an Ofsted rating of requires improvement
- There have been awarding organisation sanctions within the current academic or financial year that are current
- The Combined Authority Internal Audit most recent conclusion is minimal
- The latest DfE audit outcome (if applicable) is minimal
- The organisations credit report has decreased and is below the threshold for contract award

10.3. Following the risk review, each provider will be assigned a risk rating. Providers will continue to be monitored monthly by the Case Conference group, and it is important to note that a provider’s overall risk rating may change from month to month based on updated assessments.

10.4. Risk ratings will impact eligibility for growth or contract extension for the funding year 2025/2026 and any following years where a contract is extended on a 1+1+1 basis.

10.5. The Combined Authority will use its approach to risk management to measure the providers overall risk rating. Should the provider fail to meet the requirements and obligations arising from the grant agreement or contract for services, the Combined Authority will take appropriate action as required. There are five stages:

- Level 1: Routine risk review
- Level 2: Initial action – Provider improvement notice (PIN)
- Level 3: Final action - Final Improvement Notice (FIN)
- Level 4: Contract reduction notice (CRN)
- Level 5: Contract termination

10.6. **Level 1: Routine Review**. A risk management review of all providers will take place within the first three months of the contract start date, which will determine the risk at the beginning of the academic year or at the point of the start of delivery. For providers who have consecutive years of holding a grant agreement or contract for services, the rating from the previous year will be carried forward. The review will include, but is not limited to, the following:

- Performance against delivery plan. Actuals versus delivery
- Compliance monitoring review outcomes

- Performance
- plans in place – current or previous year
- Data submissions (ILR) are on time and are error free
- Funding is being spent adequately in line with the delivery plan and within the contracted areas and specific project requirements
- Ofsted judgement
- Awarding organisation sanctions
- Most recent Combined Authority Internal Audit conclusion
- Latest DfE audit outcome (if applicable)
- Financial stability checks

10.7. **Level 2: Initial action**. The risk rating will be communicated to the provider. At this stage the provider will be informed that formal action could be taken if the risk rating does not improve.

10.8. Following the routine review, where a provider has a risk rating of medium or high, this will be escalated to the Case Conference group who will set timescales for a risk response plan to be developed by the provider, dependent on the element of risk, detailing the actions and next steps required. A Provider Improvement Notice will be issued.

10.9. The risk response plan will be used to capture all agreed actions for risk management improvement and will be reviewed as part of your performance review. At this stage the Combined Authority, depending on the element of risk, may escalate to the Combined Authority Internal Audit team. If the risk response plan remains outstanding after 3 months, the risk may be identified as high and escalated to the ASF Performance Group.

10.10. **Level 3: Formal Action.** The Combined Authority Adult Skills Performance Group will issue a Final Improvement Notice (FIN) which stipulates the action to be taken by the provider and timeframes.

10.11. **Level 4: Contract Reduction Notice**. Where the provider continues to be high risk following the implementation of the Performance Recovery plan, a Contract Reduction Notice may be issued in accordance with the terms of the grant agreement or contract for services.

10.12. **Level 5: Contract Termination.** If the provider risk rating does not improve sufficiently after the Contract Reduction Notice, the Combined Authority may act to terminate the provider grant agreement or contract for services.

10.13. Providers will be able to request reduction to contract at any point within the year.

11. Overperformance

11.1. A growth request may be considered on consultation with the provider against a number of factors including:

- The provider's outputs are cumulatively above contracted targets

- Risk rating is low as determined through risk management
- The provider has further capacity; and the Combined Authority is in a position to increase targets and contract value for an area of work.
- Where there is clear evidence of need and alignment to the West Yorkshire ASF priorities

11.2. Growth requests will be accepted initially at R04, and at R06 where funding permits and will be prioritised against strategic need. A sliding scale for contract growth will ensure that growth allocations are both viable and proportionate. Providers must present a detailed business case for contract growth providing a range of criteria are met, including:

- Risk rating is green with no outstanding Performance Recovery plans
- Provider has adhered to the ASF key values and behaviours
- Delivery focuses on ASF entitlements and key strategic needs
- Detailed evidence of existing demand which includes community and/or employer link
- Detail of planned progression into further learning, volunteering or employment

12. Compliance Monitoring

Exceptions

12.1. An exception is a system-generated alert that highlights potential errors or anomalies in ILR data submissions, prompting providers to review and correct their data to ensure accuracy and compliance.

12.2. The Combined Authority reviews the quality and timeliness of provider data to identify issues, inform performance management, and assess how systems are working across delivery partners, internal teams, the DfE, and other Combined Authorities.

12.3. Exception reports will be issued to delivery partners, requesting corrections by the next data return. These reports will also highlight ineligible learners and removed records to help prevent overpayments.

Compliance

12.4. The Combined Authority reserve the right to perform compliance monitoring for any delivery partner, including sub-contracted provision.

12.5. To gain assurance that partners are compliant with the funding rules and evidence requirements the Combined Authority will undertake compliance monitoring of delivery partners, with the exception of the Local Authorities who will provide an annual assurance statement verified by the Authorities' Section 73 Officer.

12.6. Compliance monitoring will ensure delivery is linked to the partner delivery plans and that funds are accounted for and spent accurately against the delivery plan. Evidence requested must support the funding claimed. And must assure the

Combined Authority that the learner exists and that they are a West Yorkshire resident. Evidence that will be monitored includes but is not exhaustive to.

- All information reported in the ILR and the earnings adjustment statement
- Enrolment form:
  - Named, signed and dated by the learner
  - Course details are identified including aim reference numbers
- Evidence of eligibility checks taken place, including but not limited to:
  - Eligibility of right to abode or work in the United Kingdom
  - West Yorkshire residency
  - Date of birth
  - Employment status and if employed low-income evidence
- Prior learning checked, eligibility criteria and legal entitlement
- Evidence of eligibility is signed and dated by the provider and countersigned by the learner. [Proof of identity checklist - GOV.UK]
- Evidence of initial assessment undertaken to determine a learner's requirements:
  - using current assessment tools based on the national standards
  - if appropriate, a diagnostic assessment
  - learner must be enrolled on a course no more than one level above their assessed level
- A dated register of hours/attendance or learning journal to show learning has taken place.
- Attendance reports from online learning
- Evidence of achievement certification if applicable, or a record of all assessment outcomes
- Evidence of RARPA where applicable for non-regulated/tailored learning provision
- Learner signature confirming all information is correct – this may include a self-declaration.

13. Sampling methodology:

13.1. The West Yorkshire Combined Authority will select a sample of learner files to check randomly using a method chosen by the Combined Authority. Notification of compliance monitoring sample requests will be sent out to providers in a timely manner allowing 10 working days to partners to provide evidence:

- 10% checks on enrolments to date, to a maximum of 30 learners, whichever is lower

13.2. Compliance monitoring for all new delivery partners in the academic year will be completed twice a year, or within three months of contract start:

- R01-R04
- R010-R12

13.3. Where a delivery partner has delivered adult skills funding in the previous academic year, with a green risk rating, compliance monitoring will be completed once a year:

- R05-R09

13.4. Compliance monitoring findings be included in the risk management process outlined above. Where risk is identified as high this may trigger a full audit carried out by the Combined Authority's Audit team.

14. Subcontracting and Consortia

14.1. Subcontracting must not take place unless prior approval has been obtained from the Combined Authority with the Combined Authority reserving the right to pause funding and investigate any cases of suspected subcontracting where approval has not been obtained.

14.2. As part of agreeing a provider's delivery plan and in advance of the grant agreement or contract for services start date, providers must provide information on the use of subcontractors through a subcontractor declaration.

14.3. If in year, any changes need to be made to those initial subcontractors, this must be approved by the Combined Authority through a business case prior to any new learners starting with the subcontractor. The Combined Authority would expect to see a clear strategic rationale for this decision and would want to understand particularly how this provision would enhance the offer to residents and how it aligns to the West Yorkshire ASF strategy priorities.

14.4. The responsibility for the provision delivered by the providers subcontractors remains with the provider as the lead provider. The Combined Authority expect robust contracting and performance management to be performed by the provider for all subcontractors and their provision.

14.5. Management fees for all subcontracted delivery must not exceed 20%.

15. Audit & Assurance

15.1. The West Yorkshire Combined Authority is required to submit to the DfE an annual assurance statement setting out the assurance processes in place to performance manage and assure delivery that has taken place by the delivery providers. This is in addition to existing statutory and other legal and public sector assurance requirements for the Combined Authority to demonstrate public funds distributed through grant agreements and contract for services are being spent appropriately and in line with the Combined Authority's funding rules and performance management framework.

15.2. Where the Combined Authority is funding a Local Authority, assurance will be sought from the Local Authority's Internal Auditors on provision delivered and use of funds. Local Authorities are required to submit an annual assurance statement to the Combined Authority. Assurances from external auditors and others will also be sought in line with the latest Framework & Guide for External Auditors & reporting Accountant for Colleges to cover accounting periods after 31st July 2025.

15.3. All providers will be reviewed periodically by the Combined Authority's Internal Audit Team, and more frequently if concerns have been raised through the risk and performance management process.

15.4. The focus of the internal audit activities will be to provide assurance that:

- Systems, processes and internal controls support the submission of timely and robust data to the DfE and the Combined Authority
- Provision is being delivered in line with statutory and contractual requirements and evidence exists to support the funding claims.
- Corrective or preventative action is being taken where appropriate to rectify any issues identified during the audit activity

15.5. The internal audits will include, but not be limited to, a review of:

- Key background documentation and sources of assurance
- Relevant Combined Authority ASF documentation
- The Providers relevant systems, processes and documentation to oversee the accuracy and completeness of individual learner records, and their compliance with the funding rules
- Policies relevant to the delivery of the Adult Skills provision
- How the systems and processes between providers, internal teams, the DfE and other Combined Authorities are working.

Additionally:

- Interviews with the Combined Authority ASF staff on the provider's performance
- Interviews with provider staff and learners, where necessary
- Detailed testing on samples of learner files; and
- A high-level review of the provider's approach to equity, diversity and inclusion

15.6. Following the review, an internal audit report will be produced and will include an assurance conclusion on the provider, the table below provides a description of the conclusions.

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

15.7. The report will make recommendations where areas of non-compliance are found. Action taken, including any changes needed to the ILR, and any payments due back, will be monitored via the schedule of performance management reviews outlined above.

15.8. If allegations or information are received by the Combined Authority under the Combined Authority's Whistleblowing Policy, that relate to concerns regarding the financial management and/or governance of the provider or one of their subcontractors, the matter will be investigated in line with the Combined Authority's Anti-Fraud and Corruption Policy and any agreed joint working protocols with any other affected partner organisations, including the DfE and other Combined Authorities/the GLA.

15.9. The assurance over Higher Education institutions in respect of ASF funds remains the responsibility of the Office for Students (OfS).

16. Due Diligence

16.1. Where a provider is delivering consecutive academic years via a grant agreement or contract for services, due diligence checks will be carried out at the beginning of the academic year. This includes:

- Policy refresh for all statutory policies
- Financial checks
- Ofsted rating
- Change in staffing at operational and strategic level

16.2. As part of the approach to monitoring provider risk the Combined Authority's Finance Team will undertake financial assurance activities for all Contract for Services providers to ensure financial stability of the providers. Where a provider's credit rating is below 51 the financial risk will be impacted.

16.3. To be successful, colleges need to be well managed and financially resilient. While the Combined Authority will be performance managing the Further Education colleges in relation to delivery of ASF, the DfE will continue to fund and monitor FE colleges nationally.

16.4. If the DfE and/or the West Yorkshire Combined Authority has evidence of financial 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 Combined Authority will be working with the DfE 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 DfE and West Yorkshire Combined Authority will be looking to ensure that any action taken:

- is in the interests of learners.
- protects public money.

17. Data Submissions

17.1. As a provider you must have the capacity and capability for accurate data and evidence collection, management and reporting and you must be able to comply with both the Authority's and the DfE's data submission requirements, including, but not limited to, the Individualised Learner Record (ILR), Earnings Adjustment Statement (EAS) and all associated evidence, with prompt recording of changes to learner data e.g. withdrawals from learning.

17.2. Providers must ensure that all documentation relating to the enrolment of West Yorkshire residents, and the record of learning activity is completed accurately. ILR data submitted for the West Yorkshire Combined Authority residents will continue to be submitted to the DfE through the 'Submit Learner Data' facility provided by the DfE. ILR files will be validated at the point of transmission against both definitions and validation rules. If any data fails the validation checks, then the learner record and all associated records for that learner will be rejected. Rejected records are not loaded into the national ILR database and so do not generate funding; these records are reported on the rule violation report. This will ensure that the data received by the Combined Authority is accurate and complete as it will be used as the basis for the payments you will receive.

17.3. As part of the assurance work, the West Yorkshire Combined Authority will be monitoring the data providers submit to the DfE from the ILR and the Earnings Adjustment Statement (EAS). The Combined Authority will carry out regular reviews of how the national funding system and the Combined Authority's funding rules are being applied, allowing identification of possible errors in the devolved ASF funding claimed for West Yorkshire residents by providers, which might require further investigation.

17.4. In addition, the Combined Authority will expect providers to regularly review the software systems and processes used to check for data accuracy. For 2025/26 providers will continue to be able to access the DfE systems, these are: the funding information system (FIS); the Submit Learner Data facility; Individual Learner Record Reports; and the provider data self-assessment toolkit (PDSAT); Funding and Monitoring Reports.

18. Individualised Learner Record (ILR)

18.1. All providers delivering ASF provision to the West Yorkshire Combined Authority residents will be required to complete the ILR in the 2025/26 academic year. The DfE will continue to gather ILR data via its national data system. Providers **must** upload their ILR data via the DfE facility and **cannot** submit the data directly to the West Yorkshire Combined Authority.

18.2. All providers are required to submit ILR data and Earnings Adjustment Statement data via the ILR. The first return is R01, and this will contain new starts from 1 Aug 2025 and should be submitted in line with the 2025/26 DfE ILR specification, in line with the grant agreement. This information will be used to inform the risk-based performance management.

18.3. Providers should refer to the ILR technical documents, guidance and requirements to assist them with submitting the data correctly and in the format required by the

DfE. The DfE will validate this data in line with their validation rules prior to it being forwarded to the West Yorkshire Combined Authority. If the details for the learner do not pass the DfE validation, the data will not be received by the West Yorkshire Combined Authority and will not generate funding. Further guidance can also be found in the DfE technical guidance.

18.4. The Learning Start Date Postcode is an important field and should record the postcode of the learner when starting a learning aim, establishing that the learner has a West Yorkshire Combined Authority postcode. For more information about postcodes, including a postcode look-up tool to help you determine which funding body is responsible for any given postcode, please refer to the ASF devolution postcode dataset.

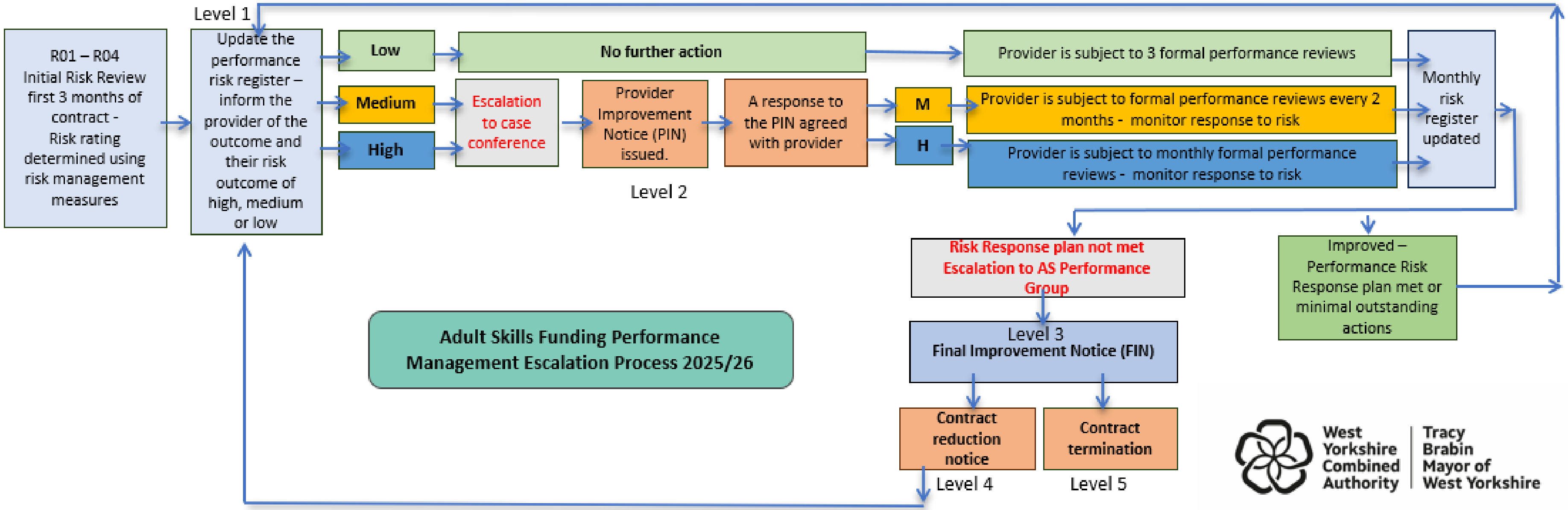
18.5. There are two changes which have been made to deal with devolved provision:

a) Source of Funding code (SOF) - to enable providers to identify the Delivery of activity through the Grant/Contract supporting West Yorkshire Combined Authority residents, the code for West Yorkshire Combined Authority is SOF 119.

b) A set of Devolved Area Monitoring (DAM) fields – these are a type of learning delivery funding and monitoring field. Each aim can be flagged with up to six DAM codes. Further information can be found in the Adult Skills Fund Funding Rules and from the Adult Skills team.

18.6. The purpose of the DAM codes is to flag learning aims that need to be monitored as part of flexibilities or to identify elements that are being funded via the EAS i.e. learning aims associated with “local flexibilities” will be identified by specific DAM codes. The detail will be dependent upon any future local flexibilities approved by the West Yorkshire Combined Authority.

19. Performance Management Flow Chart



West Yorkshire Combined Authority | Tracy Brabin Mayor of West Yorkshire