Adult Skills Fund Performance Management Framework

For the 2026 to 2027 funding year
(1 August 2026 to 31 July 2027)

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

Version 2 – August 2026

Title	
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Version	Date	Section/ Reference	Amendment
2.0	31/07/26	12.0	Added Marketing, Branding and Communications section, including provider responsibilities and compliance with future LCCA branding guidance.
2.0	31/07/26	8.0	Introduced Partnership and Insight Reviews (PIRs), replacing quality assurance visits.
2.0	31/07/26	9.5	Enhanced compliance and assurance arrangements.
2.0	31/07/26	5.3	Updated Skills for Life KPI, replacing 'Outreach to Substantive Conversion Rate' with 'Unique Learners Completed Substantive'.
2.0	31/07/26	5.1	Introduced Learner Support Fund (LSF) and Additional Learner Support (ALS) allocations within planned spend profiling and performance monitoring.
2.0	31/07/26	11.1	Confirmed monthly ILR submissions as a requirement for performance monitoring.

Contents

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

All information (including hyperlinks) was correct on publication of this document, and Lancashire Combined County Authority (LCCA) reserves the right to make changes to this guidance.

LCCA has responsibility for adult education functions in Lancashire. Details of all powers and funding that have been devolved can be found through the local government association website.

Contact us
If you have any questions after reading our Performance Management Framework, or if there's anything else you need help with, you can contact us via your assigned Project Officer or email adultskillsfund@lancashireskillshub.co.uk

Executive Summary

Purpose of this Framework

This Performance Management Framework (PMF) sets out how the Lancashire Combined County Authority (LCCA) will oversee, support and monitor the delivery of the Adult Skills Fund (ASF) for the 2026 to 2027 funding year (1 August 2026 to 31 July 2027).

The Framework defines LCCA's expectations of providers receiving ASF funding and explains how performance, compliance and continuous improvement will be monitored and reviewed. It forms part of the terms and conditions of funding and should be read alongside the relevant Grant Agreement or Contract for Services, ASF Funding Rules and Individualised Learner Record (ILR) guidance.

Strategic Context

Through devolution of the Adult Skills Fund, LCCA is responsible for ensuring that adult skills provision across Lancashire:

- Aligns with the Lancashire Strategic Skills Plan
- Responds to local labour market and employer needs
- Supports residents to progress into employment, further learning or improved life chances
- Demonstrates effective, transparent and accountable use of public funds

LCCA's ambition is to develop a responsive and collaborative adult skills system that balances robust oversight with provider autonomy, innovation and continuous improvement. Over time, increasing emphasis will be placed on progression, outcomes and strategic alignment, alongside delivery volume and expenditure.

LCCA's Performance Management Approach

LCCA operates a supportive, risk-based and proportionate approach to performance management. The primary aims are to:

- Support successful delivery and continuous improvement
- Improve learner experience and outcomes
- Strengthen strategic alignment with local priorities
- Protect public funding and accountability

Performance management is built around:

- Jointly agreed annual Delivery Plans
- Regular provider engagement
- Monthly Operational Reviews
- Quarterly Performance Reviews
- Annual Strategic Reviews

- Partnership and Insight Reviews (PIRs)
- Compliance monitoring and audit activity
- Learner, employer and stakeholder feedback

Providers are expected to work collaboratively with LCCA, engage openly in performance discussions and proactively identify emerging risks or material changes that may affect delivery.

Monitoring, Review and Continuous Improvement

The Delivery Plan is the primary reference point for monitoring delivery and assessing performance against agreed priorities and outcomes.

Alongside quantitative performance information, LCCA will consider wider qualitative evidence including:

- Learner and employer feedback
- Partnership and Insight Review findings
- Compliance monitoring activity
- Audit outcomes
- Provider self-assessment and improvement activity
- Social value commitments

This broader evidence base allows LCCA to develop a holistic understanding of provider performance and impact.

Partnership and Insight Reviews

Partnership and Insight Reviews (PIRs) form a key part of LCCA's supportive performance management approach.

PIRs are designed to strengthen collaborative working between LCCA and providers, provide insight into delivery effectiveness and learner experience, and support continuous improvement. They create opportunities for professional dialogue, reflection and the sharing of effective practice across the provider network.

PIRs are developmental in nature and are not inspections, grading exercises or formal assurance visits. They do not replicate or replace Ofsted inspection activity and do not result in grades or formal judgements.

Compliance and Assurance

LCCA operates a proportionate compliance and assurance programme designed to safeguard public funding and provide assurance over data quality, learner eligibility, funding claims and provider controls.

The compliance model includes:

- Onboarding and controls reviews
- Initial compliance reviews

- Risk-based quarterly sampling
- Audit and compliance testing
- Provider clarification and review opportunities
- Formal reporting and appeal arrangements

Findings from compliance activity contribute to Provider Assurance Levels and inform wider performance management and improvement activity.

Provider Assurance and Intervention

LCCA uses a weighted performance scorecard to support consistent and transparent assessment of provider performance.

Performance evidence contributes to an overall Provider Assurance Level ranging from Strong Assurance to Insufficient Assurance. These outcomes help determine the level of monitoring, support and intervention required and may inform future funding, redistribution and commissioning decisions.

Where concerns arise, LCCA will apply a graduated and proportionate response focused on support, improvement and risk mitigation before considering formal contractual or grant interventions.

Provider Responsibilities

All ASF-funded providers are expected to:

- Comply with funding rules, contractual obligations and this Framework
- Submit accurate and timely ILR data
- Maintain appropriate learner and funding evidence
- Engage constructively with performance management, PIR and compliance processes
- Support learner progression and positive outcomes
- Contribute to collaborative working and the sharing of effective practice across the Lancashire provider network
- comply with LCCA branding, marketing and communications requirements

Prime providers remain fully accountable for any subcontracted delivery and must maintain effective oversight, quality assurance and compliance arrangements across their supply chain.

Summary

This Framework sets out a clear, consistent and proportionate approach to managing ASF provision across Lancashire. It combines performance management, partnership working, compliance monitoring and continuous improvement within a single integrated framework.

LCCA is committed to working collaboratively with providers to improve learner outcomes, share effective practice, strengthen strategic alignment and ensure that public funding delivers maximum benefit for learners, employers and communities across Lancashire.

1. Introduction to the Adult Skills Fund

1.1 Purpose and Strategic Aims of the Adult Skills Fund

The Lancashire Combined County Authority (LCCA) Adult Skills Fund (ASF) aims to support Lancashire residents to develop the skills they need to progress into meaningful and sustained employment, further learning, or volunteering. ASF delivery includes both regulated learning and Tailored Learning (TL), enabling residents to improve wellbeing, confidence, community engagement, parenting skills and readiness to progress.

LCCA will ensure that ASF provision is aligned to current and future regional labour market needs, supporting inclusive growth across Lancashire.

1.2 Integration of Free Courses For Jobs (FCFJ)

The management of the Free Courses For Jobs (FCFJ) offer operates within the same governance, assurance and performance management framework as the ASF. LCCA will apply the same principles, expectations and monitoring requirements to FCFJ delivery as part of its devolved adult skills functions.

1.3 Quality Standards, Progression and Compliance Expectations

All delivery funded by LCCA must meet recognised national and local quality benchmarks, including:

- Ofsted standards and expectations linked to the evolving inspection framework
- Matrix Standard Accreditation for Information, Advice and Guidance (IAG)
- Safeguarding, Prevent, equality, diversity and inclusion requirements
- Data protection obligations under UK GDPR and the Data Protection Act 2018

Providers must embed effective progression planning within delivery, ensuring:

- Clear learner pathways into further learning, employment and/or higher-level skills
- Active promotion of LCCA progression routes, including Skills Bootcamps, Connect to Work, and employment support programmes
- Meaningful employer engagement to maintain curriculum relevance and alignment with Lancashire's labour market needs

1.4 Performance Monitoring and Assurance Framework

Provider performance will be supported and monitored through an integrated performance management framework combining quantitative and qualitative measures. This includes:

- Key Performance Indicators (KPIs) and outcome measures

- Learner and employer feedback
- Case studies
- Audit and compliance checks

These mechanisms ensure that learner data, funding claims and delivery activity are accurate, compliant and aligned with local priorities.
LCCA's assurance approach is strengthened through consistent expectations relating to:

- Evidence of learner eligibility
- ILR completeness, accuracy and timeliness
- Learner evidence file requirements
- Controls testing and funding assurance activity

1.5 Strategic Oversight and Risk-Based Management

LCCA's role is to ensure that adult skills provision remains responsive to Lancashire's strategic priorities and supports inclusive economic growth. Through jointly agreed Delivery Plans, regular provider engagement and risk-based monitoring, LCCA will ensure that:

- Provision aligns with the strategic skills plan
- Delivery responds to emerging economic and labour market needs
- Providers can identify, escalate and resolve risks at an early stage
- Public funds are used appropriately and in accordance with funding rules

1.6 Purpose of the Performance Management Framework

This Performance Management Framework (PMF) sets out how LCCA will oversee provider delivery, maintain effective governance, assure funding accuracy and secure high-quality outcomes for learners. It defines the expectations placed on all funded providers and explains how performance will be:

- Monitored
- Supported
- Challenged
- Where necessary, subject to intervention

This approach protects funding integrity, provider accountability and the overall learner experience.

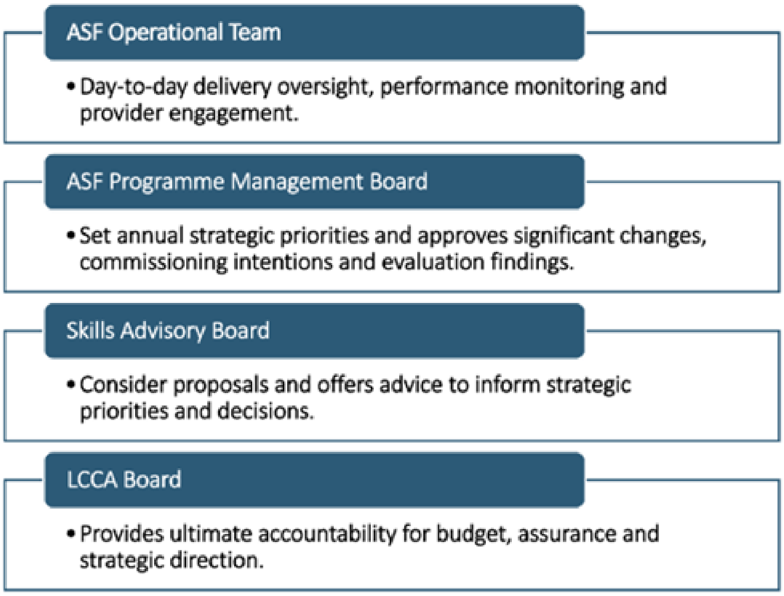
2. Governance

2.1 Strategic Governance Arrangements

Strategic governance of the Adult Skills Fund (ASF) is provided by the Lancashire Combined County Authority (LCCA), supported by advice from the Skills and Employment Board, which operates as a member-led advisory panel. A clear and transparent governance structure is in place to define responsibilities, accountability and decision-making authority across the ASF. This structure ensures effective separation of duties and provides oversight across four distinct governance functions.

2.2 Governance Roles, Responsibilities and Accountability

The ASF governance structure separates operational delivery, strategic planning, advisory input and final oversight, as follows:



This governance model ensures robust challenge, clear accountability and effective stewardship of public funds, while supporting responsive and evidence-based decision-making across Lancashire's adult skills system.

2.3 Governance Assurance, Transparency and Strategic Alignment

This governance model ensures that operational delivery, performance management, audit and compliance activity, and strategic decision-making remain clearly defined and appropriately separated. This separation of responsibilities strengthens accountability, mitigates risk and supports effective oversight. The model also promotes transparency in how funding and performance decisions are made and provides assurance that all ASF-funded delivery is aligned with the objectives and priorities set out in the local Adult Skills Fund Strategy.

3. Performance and Partnership

3.1 Provider Support and Relationship Management

LCCA is committed to supporting the effective delivery and strong performance of Adult Skills Fund (ASF) provision. Provider management and support will be led by designated Project Officers and other LCCA staff, as appropriate, to ensure consistent engagement, oversight and support across the provider base.

3.2 Opportunities Enabled Through Devolution

The devolution of the ASF budget to LCCA enables a broader and more flexible approach to local skills delivery. This extends beyond qualifications-based provision to include Tailored Learning, progression activity and programmes that address wider social and economic outcomes. By drawing on LCCA's established partnerships and local networks, providers are encouraged to work collectively to:

- Explore innovative delivery models
- Share learning and effective practice
- Strengthen progression routes into employment and further learning

This collaborative approach supports the overarching aims of enabling residents to reach their full potential and improving social mobility across Lancashire.

3.3 Commitment to Collaborative and Inclusive Delivery

LCCA is committed to building strong, collaborative relationships with its provider base. Devolved responsibility provides greater flexibility to commission organisations that demonstrate a commitment to:

- Collaboration over competition
- Place-based delivery models
- Inclusive, high-quality learning experiences
- Strong and meaningful employer engagement

LCCA's ambition is to develop well-connected local delivery networks that create coherent, accessible progression routes into employment, higher-level learning and apprenticeships. This includes a particular focus on supporting individuals with complex needs, those facing disadvantage, and those furthest from the labour market.

3.4 System-Wide Collaboration and Connectivity

To support a coherent and integrated adult skills system, LCCA expects providers to collaborate not only with LCCA but also with one another. All grant-funded and contracted providers should contribute to a strategically aligned local offer.
This includes effective use of shared tools such as Escalate, which is used across Lancashire to match individuals and referral partners with suitable employment and skills pathways. Collaborative working ensures learners receive the right support at the right time and that provision remains relevant, inclusive and responsive to demand.

3.5 Applicability and Status of the Performance Management Framework

This Performance Management Framework provides strategic relationship management guidance for providers funded through both Call-Off Contracts and Grant Agreements. It applies to all organisations delivering devolved LCCA ASF provision from 1 August 2026. The Framework must be read alongside:

- The provider's individual Grant Agreement or Contract for Services
- LCCA Adult Skills Funding Rules
- Funding Rates and Formula
- ILR Specification
- Relevant operational guidance

Together, these documents form the contractual and regulatory basis for delivery.

3.6 Collaborative Delivery Planning and Strategic Alignment

LCCA will work closely with providers using a collaborative approach to programme management and delivery. Through jointly agreed Delivery Plans and ongoing engagement, LCCA will support providers to align ASF provision with the Strategic Skills Plan.

This approach ensures residents have opportunities to develop skills that enhance life chances, progress into high-quality employment or enterprise, and contribute to an inclusive and resilient local economy.

3.7 Supportive and Risk-Based Performance Management

LCCA operates a supportive, risk-based approach to performance management. In addition to regular monitoring and reviews, providers are expected to proactively identify where:

- Planned delivery may not be achieved
- Learner demand exceeds expectations

Providers must notify LCCA of emerging risks at the earliest opportunity to enable joint problem-solving and timely corrective action.

3.8 Performance Monitoring and Continuous Improvement

To promote consistency and continuous improvement across the provider base, LCCA will:

- Hold monthly performance review meetings
- Compare ILR returns against agreed delivery plans
- Apply funding rules consistently and transparently
- Provide structured feedback on delivery performance and learner experience
- Facilitate peer learning through communities of practice
- Undertake audit and assurance activity, where appropriate

This approach supports real-time performance oversight and ensures providers receive regular, constructive support.

3.9 Review and Updates to Guidance

This guidance will be reviewed and updated to reflect changes in national policy, funding rules, or local priorities. Providers are responsible for ensuring they are working to the most current version and are expected to check the Skills Hub Website regularly for updates.

4. Delivery Plan

4.1 Purpose and Role of the Delivery Plan

Each provider will agree a Delivery Plan with LCCA at the start of each funding year. The Delivery Plan sets out the provider's planned delivery profile, including learner volumes, priority groups, sectors and intended outcomes.

The Delivery Plan is the primary reference point for performance monitoring. It informs the Key Performance Indicators (KPIs) used within the weighted performance scorecard but does not, in isolation, determine performance judgements. Performance is assessed holistically, with no single metric used in isolation. LCCA's focus is on overall delivery trends, impact and strategic alignment, rather than course-level variance.

4.2 Delivery Plan Submission, Review and Agreement

Providers are required to submit a Delivery Plan, in line with LCCA timescales. Delivery Plans must be reviewed and formally agreed prior to the commencement of the funding year and may be revisited as part of the Annual Strategic Review.
Delivery Plans are developed using the best available information at the point of agreement and recognise that delivery may adapt and evolve in response to learner demand, employer needs and local or regional priorities.

4.3 Managing Variance and Change to Delivery Plans

Providers are not required to seek prior approval for all variations from their agreed Delivery Plan. However:

- Providers must notify LCCA where delivery materially deviates from the agreed profile or planned priorities
- Prior approval is required where proposed changes:
    - materially alter the nature or scope of provision
    - introduce new or amended subcontracting arrangements
    - present a financial, reputational or compliance risk to LCCA

LCCA will use key elements of the Delivery Plan, alongside wider performance and management information, to monitor delivery. These elements are reflected within Section 5 – Key Performance Indicators (KPIs).

4.4 Delivery Plans and the Performance Scorecard

Delivery Plans inform the KPIs applied within LCCA's weighted performance scorecard. Performance is assessed using Delivery Plan data alongside:

- ILR submissions
- Learner and employer feedback
- Compliance monitoring and audit activity

Over time, LCCA may use evidence-based performance discussions and strategic reviews to incrementally shape and align ASF delivery profiles towards agreed strategic priorities, while maintaining appropriate provider flexibility.

4.5 Intended Outcomes of Delivery Planning

The Delivery Plan is intended to:

- Provide clear strategic direction for the use of ASF funding
- Strengthen transparency and accountability between LCCA and providers
- Support incremental, evidence-based alignment with LCCA priorities
- Retain sufficient flexibility to allow providers to respond to learner needs, employer demand and local context

5. Key Performance Indicators (KPIs)

5.1 Overview

The Delivery Plan sets out the expected levels of delivery and key areas of focus across priority groups, sectors and outcomes. LCCA will use the Delivery Plan, alongside other performance and management information, to monitor overall performance and progress against agreed objectives.

Key Performance Indicators (KPIs) are used to measure both delivery performance and strategic impact. KPIs are structured within a Balanced Scorecard and are grouped under the following headings, as applicable to each delivery model:

- Delivery Volume
- Strategic Alignment
- Audit and Assurance

Each KPI:

- Is measured cumulatively against the provider’s Delivery Plan
- Is assigned a weighting, reflecting its relative importance
- Is awarded a score between 1 and 4 in accordance with the achievement bandings set out in paragraph 5.4

Please note, Learner Support Fund and Additional Learner Support Fund allocations submitted as a single annual value will be apportioned across the funding year using the provider's approved cumulative planned delivery profile.

For performance monitoring purposes, Discretionary Learner Support Fund and Additional Learner Support allocations will be profiled across the funding year and included within cumulative planned spend. Actual expenditure will be monitored against this planned spend profile.

5.2 KPI Weightings

KPI weightings determine the relative contribution each KPI makes to a provider's overall performance score. Weightings differ by delivery model to reflect differing policy objectives, delivery risk, and maturity of provision.

The total weighting for each delivery model equals 100%. Where KPIs are grouped (for example, Delivery Volume or Strategic Alignment), the weightings applied to individual KPIs within that group combine to form the overall weighting for that category.

The tables in sections 5.5 to 5.7 set out:

- The KPIs applicable to each delivery model
- The weighting applied to each KPI
- The achievement bandings used to determine KPI scores

5.3 KPI Definitions by Delivery Model

The KPI definitions below apply cumulatively and are measured as a percentage of planned delivery unless otherwise stated.

Grant-Funded Provision

Delivery Volume	Definition
Cumulative Budget Utilisation	Actual cumulative spend as a percentage of planned cumulative spend
Strategic Alignment	**Definition**
Progression Referrals - Connect to Work, Skills Bootcamps	Actual cumulative CtW and Skills Bootcamps starts (with recorded ILR learning aims) as a percentage of planned cumulative starts
Economically Inactive	Actual cumulative unique economically inactive learners as a percentage of planned cumulative learners
19-24	Actual cumulative unique 19-24 learners as a percentage of planned cumulative learners
Priority Learning	Cumulative proportion of learning aims aligned to priority sector learning as a percentage of planned delivery
Essential Skills - Maths	Actual cumulative Maths starts as a percentage of planned cumulative starts
Essential Skills - English	Actual cumulative English starts as a percentage of planned cumulative starts
Essential Skills - Digital	Actual cumulative Digital starts as a percentage of planned cumulative starts

Skills for Life – Click Programme:

Delivery Volume	Definition
Cumulative Budget Utilisation	Actual cumulative spend as a percentage of planned cumulative spend
Strategic Alignment	**Definition**
Progression Referrals - Connect to Work, Skills Bootcamps	Actual cumulative CtW and Skills Bootcamps starts (with recorded ILR learning aims) as a percentage of planned cumulative starts
Economically Inactive	Actual cumulative unique economically inactive learners as a percentage of planned cumulative learners
19-24	Actual cumulative unique 19-24 learners as a percentage of planned cumulative learners
Unique Learners	Actual cumulative unique learners as a percentage of planned cumulative learners
Unique Learners Completed Substantive	Actual cumulative unique learners as a percentage of planned cumulative learners
Learners from IMD decile 1–3 wards	Actual cumulative learners from IMD decile 1-3 wards as a percentage of planned learners

Skills for Growth:

Delivery Volume	Definition
Cumulative Budget Utilisation	Actual cumulative spend as a percentage of planned cumulative spend
Strategic Alignment	**Definition**
Progression Referrals - Connect to Work, Skills Bootcamps	Actual cumulative CtW and Skills Bootcamps starts (with recorded ILR learning aims) as a percentage of planned cumulative starts
Economically Inactive	Actual cumulative unique economically inactive learners as a percentage of planned cumulative learners
19-24	Actual cumulative unique 19-24 learners as a percentage of planned cumulative learners
Learners from IMD decile 1–3 wards	Actual cumulative learners from IMD decile 1-3 wards as a percentage of planned learners
Percentage of Learning Aims delivered at Level 2 +	Actual cumulative starts at Level 2 or above as a percentage of cumulative planned starts
Percentage of Priority Sectors Aligned Learning Aims delivered	Percentage of cumulative starts delivered aligned to priority sectors as a percentage of planned delivery

5.4 KPI Scoring and Achievement Bandings

Each KPI will be awarded a score between 1 and 4, based on performance against agreed achievement thresholds, as set out in the KPI tables below.

For all percentage-based KPIs, the achievement bandings are applied consistently unless otherwise stated:

Score	Achievement Band
1 – Strong Assurance	95% or above
2 – Satisfactory Assurance	90% to 94.9%
3 – Limited Assurance	80% to 89.9%
4 – Insufficient Assurance	Below 80%

5.5 Grant Funded Provision – Weightings and Rationale

For Grant Funded Provision, LCCA has adopted a phased and proportionate approach to KPI weighting.

In Year 1, delivery volume accounts for 75% of the overall performance score, with 25% weighted towards Strategic Alignment KPIs. This reflects the current national context in which grant-funded provision has historically been assessed primarily on volume of delivery and spend profile, while ensuring that strategic priorities are embedded from the outset.

The inclusion of Strategic Alignment KPIs in performance assessment represents a clear expectation that providers will support:

- Priority learner cohorts
- Progression into employment and further skills provision
- Delivery aligned to priority sectors and essential skills needs

LCCA will keep the balance between Delivery Volume and Strategic Alignment under regular review. As provision matures and delivery systems embed, it is anticipated that in future years a greater proportion of the overall performance score will be weighted towards Strategic Alignment, with a corresponding reduction in the weighting applied to volume-only measures.

This direction of travel reflects LCCA's ambition to move progressively from a model focused primarily on activity and spend to one that places increasing emphasis on who provision reaches, how it aligns with local priorities, and the outcomes achieved.

Any changes to KPI weightings will be communicated in advance and applied proportionately.

Delivery Volume	**Weighting**
Cumulative Budget Utilisation	75%
Strategic Alignment	**Weighting**
Progression Referrals - Connect to Work, Skills Bootcamps	2.5%
Economically Inactive	5%
19-24	5%
Priority Learning	5%
Essential Skills – Maths	2.5%
Essential Skills – English	2.5%
Essential Skills – Digital	2.5%

5.6 Skills for Life – Click: KPI Weightings and Bandings

For Skills for Life – Click delivery, KPI weightings reflect the dual focus on high-volume participation and targeted engagement with priority groups, progression, and conversion from outreach to substantive learning.

Delivery Volume	Weighting
Cumulative Budget Utilisation	50%
Strategic Alignment C	**Weighting**
Progression Referrals - Connect to Work, Skills Bootcamps	5%
Economically Inactive	10%
19-24	10%
Unique Learners	5%
Unique Learners Completed Substantive	10%
Learners from IMD decile 1-3 wards	10%

5.7 Skills for Growth: KPI Weightings and Bandings

For Skills for Growth delivery, KPI weightings place balanced emphasis on delivery volume and strategic alignment, including skills level, sector alignment, and progression pathways, reflecting the objectives of this provision.

Delivery Volume	Weighting
Cumulative Budget Utilisation	50%
Strategic Alignment	**Weighting**
Progression Referrals - Connect to Work, Skills Bootcamps	5%
Economically Inactive	9%
19-24	9%
Learners from IMD decile 1-3 wards	9%
Learning Aims delivered at Level 2+ (%)	9%
Vocational Learning Aims delivered (%)	9%

5.8 Review and Application of KPIs

KPIs, weightings and achievement bandings will be reviewed periodically to ensure they remain aligned with strategic objectives, delivery maturity and policy requirements.

LCCA reserves the right to apply professional judgement where appropriate, particularly in cases of emerging risk, exceptional performance or significant contextual factors.

In applying KPI scores, LCCA may take account of performance trends and trajectory over time, particularly where performance is improving or deteriorating materially.

Any material changes to KPI definitions, weightings or scoring will be approved through LCCA's governance arrangements and communicated to providers in advance of implementation.

6. Performance Management and Methodology

6.1 Performance Management Approach

Performance across ASF will be monitored and assessed using a Balanced Scorecard approach. This approach is designed to provide a rounded and proportionate view of provider performance by considering a range of quantitative and qualitative measures, rather than relying on a single indicator.

The Balanced Scorecard will be made up of a defined set of Key Performance Indicators (KPIs) aligned to the LCCA's strategic objectives for ASF, as outlined in section 5. Each KPI will carry a weighting, reflecting its relative importance within the overall performance assessment.

6.2 KPI Scoring

Each KPI will be assessed and assigned a score on a four-point scale, as set out below:

Score 1 – Strong assurance (exceeding expectations)
Score 2 – Satisfactory assurance (meeting expectations)
Score 3 – Limited assurance (partially meeting expectations)
Score 4 – Insufficient assurance (not meeting expectations)

A score of 1 represents the strongest level of performance, while a score of 4 represents the weakest.

6.3 Weighted Overall Performance Score

Individual KPI scores will be combined using the agreed weightings to produce an overall weighted performance score for each provider. The overall score will also sit on a scale from 1 to 4, providing a consistent and transparent method for aggregating performance across the full range of KPIs.
This methodology ensures that areas of higher strategic importance have a proportionately greater impact on a provider's overall performance assessment.

6.4 Provider Assurance Grading

The overall weighted score will be translated into a Provider Assurance Level, which will be used to determine the level of assurance LCCA has in a provider's performance and capability. The assurance categories are defined as follows:

- **1.0 – 1.5: Strong Assurance -** Performance is consistently strong. LCCA has a high level of confidence in the provider's ability to deliver ASF effectively
- **>1.5 – 2.0: Satisfactory Assurance -** Performance meets expectations overall, with no significant areas of concern
- **>2.0 – 3.0: Limited Assurance -** Performance is variable and falls below expectations in some areas
- **>3.0 – 4.0: Insufficient Assurance -** Performance is weak and does not meet required standards

6.5 Holistic Assessment of Provider Assurance

The Provider Assurance Level represents LCCA's holistic assessment of provider performance and risk.

While the Balanced Scorecard provides a consistent and transparent basis for assurance judgements, the overall Provider Assurance Level may also be informed by wider evidence gathered through LCCA's audit and assurance activity (as set out in Section 9), including:

- Findings from internal and external audit activity
- Delivery against agreed social value commitments
- Learner, employer and stakeholder feedback
- Compliance monitoring, sampling and data quality reviews

No single source of evidence will be definitive in isolation. LCCA will apply professional judgement to weigh quantitative performance data alongside qualitative and assurance evidence, ensuring assurance outcomes are proportionate, fair and risk-based.

6.6 Consideration of External Regulatory, Compliance and Financial Risk

In forming a holistic assessment of provider performance and risk, LCCA may also take account of external regulatory, compliance and financial intelligence, where relevant.

This may include, but is not limited to:

- Outcomes from Ofsted inspection activity or monitoring visits
- Notifications of investigation or intervention by the Department for Education or other funding bodies
- Confirmed or emerging funding compliance issues outside of ASF delivery
- Concerns relating to provider financial health, viability or governance
- Issues arising from wider organisational activity that may reasonably impact ASF delivery

Such matters will be considered alongside performance data, assurance findings and delivery trends. They do not in themselves predetermine a Provider Assurance Level or management response, but may indicate increased risk requiring enhanced monitoring, earlier intervention or proportionate escalation under this framework.

LCCA will apply professional judgement to assess the relevance, severity and potential impact of external issues on ASF delivery and learners.

6.7 Provider Self-Assessment and Continuous Improvement

Providers are expected to maintain robust and up-to-date internal self-assessment and quality improvement processes covering all Adult Skills Fund (ASF) funded provision.

Provider self-assessment should be proportionate to the scale, nature and risk profile of delivery and may take a variety of forms depending on delivery model. For organisations subject to Ofsted inspection, this will typically include a Self-Assessment Report (SAR) and Quality Improvement Plan (QIP), while other providers may evidence equivalent reflective processes and improvement plans.

Self-assessment activity should:

- Evaluate the quality, effectiveness and impact of ASF funded delivery
- Consider learner experience, teaching and learning, progression and outcomes
- Identify strengths, areas for development and improvement priorities
- Be informed by a range of evidence, including learner and employer feedback, performance data, audit findings and quality assurance activity

Providers are expected to use self-assessment to actively drive improvement, rather than as a standalone or retrospective exercise.

6.8 Provider Self-Assessment Use in Performance Management

LCCA will take account of provider self-assessment and improvement activity as part of its holistic performance and assurance assessment. This may include:

- Discussion of key findings and improvement priorities during Quarterly Performance Reviews
- Consideration of progress against agreed improvement actions
- Reference to self-identified risks or development needs
- Alignment between provider improvement priorities and LCCA strategic objectives

The presence of a well-evidenced, reflective and credible self-assessment process may provide contextual assurance where performance challenges are identified, particularly where providers demonstrate timely action and measurable improvement.

Self-assessment does not replace LCCA's own assurance, audit or quality monitoring activity. LCCA retains responsibility for forming independent judgements regarding provider performance, risk and assurance level based on the full range of available evidence.

6.9 Use of Performance Outcomes

The assurance grade will inform LCCA performance management response, including the frequency and intensity of monitoring, support and intervention. It may also be used to inform decisions relating to in-year growth, eligibility for end of year funding redistribution, future years funding allocations and other contractual considerations.

LCCA reserves the right to apply professional judgement where appropriate, particularly in cases of emerging risk, exceptional performance or significant contextual factors.

6.10 Informing Future-Year Funding and Contract Decisions

Performance outcomes and Provider Assurance Levels will be used to inform decisions relating to future-year funding allocations and contractual arrangements.

To provide providers with appropriate notice and support effective delivery planning, LCCA will normally base forward-looking decisions on performance evidence available at R09 within the academic year.

This position provides a sufficiently robust evidence base, drawing on delivery and assurance activity from August to April, while allowing sufficient time for providers to plan ahead.

For Grant Funded Provision, assurance outcomes may inform:

- Adjustments to future-year allocation values
- Decisions regarding the shape, scale and value of funded delivery in future years

For Contracts for Services, assurance outcomes may inform:

- Decisions relating to contract extension, variation or non-extension, in line with the contractual terms

R09 performance evidence will be considered alongside delivery trajectory, risk, affordability and strategic need. Final decisions will be subject to LCCA's governance arrangements and may also reflect wider system considerations.

6.11 In-Year Growth

LCCA does not operate an automatic in-year growth or tolerance model. Providers are expected to deliver within the value of their agreed allocation and Delivery Plan. Where a provider chooses to deliver in excess of its agreed allocation, this is done at the provider's own risk, unless additional funding has been formally approved by LCCA in advance.

Any consideration of in-year growth will be exceptional, subject to affordability and informed by overall performance and strategic need.

6.12 Redistribution of Funding (In-Year and End-of-Year)

LCCA may, at its discretion, reallocate available funding where underspend is identified during the year or at the end of the academic year.

Underspend may arise across any delivery line or contractual arrangement, including Contracts for Services and Grant Funded Provision. LCCA may choose to redistribute available funding across delivery models where this supports effective delivery of ASF priorities.

At the end of each academic year, LCCA will review delivery and spend across all ASF delivery lines. Where overall underspend is identified, LCCA may redistribute available funding, with priority given to Grant Funded providers, subject to affordability and timing.

6.13 Principles for Redistribution

Decisions regarding the redistribution of funding will be informed by a provider's overall performance position, as determined through the Balanced Scorecard. In doing so, LCCA will consider:

- Performance against delivery volume KPIs
- Performance against strategic alignment KPIs
- The provider's overall provider assurance Level

Redistribution will not be based solely on delivery volume.

Providers assessed as Strong Assurance will be prioritised for access to redistributed funding, particularly where they demonstrate strong alignment with LCCA's strategic priorities. Providers assessed as Satisfactory Assurance may also be considered, subject to available funding and comparative performance.

Providers not assessed at least as Satisfactory Assurance will not normally be deemed eligible for redistributed funding.

LCCA does not guarantee that underspend will be redistributed in any given year, nor that redistribution will follow a prescribed methodology. All redistribution decisions will be evidence-based, proportionate and subject to affordability, value for money and wider system considerations.

6.14 Review Meetings

LCCA operates a tiered review model to strengthen oversight, support continuous improvement and maintain alignment with delivery plans and strategic priorities.

Review meetings are structured, evidence-based and proportionate, with a clear and consistent process applied across all providers.

6.15 Review Process and Documentation

For each scheduled review, LCCA will prepare a Provider Review Document, which will form the formal basis of discussion and decision-making.

The Provider Review Document will typically include:

- Agreed delivery targets and profiles
- Actual delivery and achievement to date
- Performance and risk rating against each KPI
- The overall weighted performance score
- An indicative Provider Assurance outcome

The Provider Review Document will be shared with providers in advance of the scheduled meeting. Providers will be expected to:

- Review the information provided
- Add reflections, contextual commentary or explanations where appropriate
- Return the document to LCCA ahead of the review meeting, within the agreed timeframe outlined by the Project Officer

This process ensures review meetings are focused on evidence, shared understanding and constructive dialogue, rather than retrospective data validation.

The agreed review document, including any actions or improvement activity, will be retained as a formal record of performance management.

6.16 Monthly Operational Reviews

Led by the Project Officer, these reviews provide regular oversight and focus on:

- Actions from previous meetings
- Progress against KPIs
- ILR submissions and data quality
- Learner feedback
- Emerging risks or delivery barriers

6.17 Quarterly Performance Reviews

Quarterly reviews bring together broader evidence base and will include confirmation of the Provider Assurance Level. These reviews typically cover:

- Delivery performance and trends
- Compliance status
- ILR analysis (including PDSAT where applicable)

- Social value and case studies
- Provider self-assessment
- Provider-led feedback
- Continuous improvement activity

6.18 Annual Strategic Review

The Annual Strategic Review provides a forward-looking assessment and considers:

- Overall delivery achievements
- Strategic alignment
- Contractual or grant expectations
- Lessons learned
- Reflection on provider self-assessment outcomes and continuous improvement over the year
- Future priorities

6.19 Assurance Levels – Management Response Framework

LCCA applies a four-level performance management framework to determine the nature and intensity of oversight, support and intervention applied to each provider.

The management level reflects LCCA's overall assessment of delivery risk, informed by (but not limited to) the Balanced Scorecard assurance outcome.

An assurance score does not automatically determine a provider's management level.

Management levels are applied using professional judgement, taking account of performance trends, severity, persistence of issues and wider assurance evidence.

All providers will commence delivery at Level 1.

6.20 Assurance Levels Relationship to Contractual Performance Remedies

The performance management levels set out in this Framework operate alongside, and do not replace, LCCA's rights and remedies under the Call-Off Terms and Conditions.

Where performance concerns meet the thresholds for formal contractual action, LCCA will use the mechanisms set out in Schedule 5 (Performance Management) of the Call-Off Terms and Conditions, including the issue of Performance Notices or Breach Notices and the requirement for Remedial or Recovery Plans, as appropriate.

The application of a management level under this Framework does not of itself constitute contractual default, nor does it remove LCCA's discretion to take proportionate contractual action where required.

Level 1 – Assured Delivery

Level 1 represents standard performance oversight and assurance arrangements. Providers at Level 1 are assessed as delivering broadly in line with agreed expectations and present no material risk to learners, funding integrity or system objectives.

Providers at Level 1 typically demonstrate:

- Delivery that is broadly aligned to the agreed Delivery Plan
- Satisfactory performance against Key Performance Indicators, taking account of delivery context and trajectory
- Effective engagement with routine performance reviews and assurance activity
- No significant or sustained compliance or audit concerns

At Level 1, performance management will be delivered through routine monitoring and engagement, including scheduled monthly operational reviews and quarterly performance reviews. Minor issues or variances may arise from time to time and will normally be addressed through informal discussion and agreed actions as part of standard contract or grant management activity.

A provider may remain at Level 1 where individual KPIs or assurance measures indicate isolated underperformance, provided that:

- Issues are short-term or limited in scope
- Risks are clearly understood and controlled
- The provider demonstrates timely and effective action to address them

Level 1 does not require formal improvement plans or enhanced intervention and reflects LCCA's confidence in the provider's ability to manage performance, quality and compliance within normal delivery arrangements.

Level 2 – Targeted Oversight

Level 2 is applied where LCCA identifies emerging or moderate performance concerns that require increased focus, engagement or scrutiny but do not yet warrant formal improvement action. This level reflects a position where risks are identified that require proactive intervention to prevent further deterioration.

Level 2 may be applied where, for example:

- Performance against one or more KPIs falls below expectations, but issues are not assessed as severe or systemic
- Early signs of delivery risk, slippage against the Delivery Plan or weakening delivery trajectory are identified
- Assurance or audit activity highlights areas that require closer attention or clarification

At Level 2, LCCA will apply targeted oversight and enhanced engagement. This may include one or more of the following proportionate actions:

- Increased frequency or focus of performance review meetings
- Targeted actions agreed against specific KPIs or delivery risks
- Additional evidence requests or validation of forecasts and assumptions
- Thematic deep-dives into aspects of delivery, data quality or learner experience
- Involvement of senior staff from the provider or LCCA in review discussions

Level 2 does not normally require formal contractual or grant enforcement action. However, providers are expected to take timely and effective steps to address identified concerns and demonstrate improvement within agreed timescales.

Failure to secure improvement, or the emergence of persistent or escalating risk, may result in escalation to Level 3 – Formal Improvement, in line with this Framework and the relevant funding or contractual arrangements.

Level 3 – Formal Improvement

Level 3 is applied where LCCA identifies sustained or increasing performance concerns that require formal corrective action. This level reflects a position where performance issues are no longer isolated or short-term and where earlier enhanced engagement has not resulted in sufficient or timely improvement.

Level 3 may be applied where, for example:

- A provider has received repeated Limited Assurance outcomes
- Performance against KPIs shows persistent under-delivery or deterioration over time
- Agreed actions at Level 2 have not been delivered as required
- Audit or assurance monitoring activity identifies material areas of concern that require formal resolution

At Level 3, formal improvement activity will normally be required. This will include the agreement of clearly defined improvement actions, timescales and milestones and enhanced monitoring of progress by LCCA.

For delivery commissioned under a Contract for Services, this may include the issue of a Performance Notice and the requirement for a Remedial Plan in accordance with Schedule 5 of the Call-Off Terms and Conditions.

For Grant Funded provision, this may include the issue of a Recipient Action Plan under Clause 17 of the Grant Funding Agreement and consideration of whether continued delivery at the current scale remains appropriate.

LCCA will closely monitor performance against agreed improvement actions. Failure to demonstrate sustained improvement or failure to comply with agreed actions and timescales, may result in escalation to Level 4 – Contractual / Grant Intervention, in line with the relevant contractual or grant arrangements.

Actions taken at Level 3 will be proportionate to the level of risk and will take account of delivery context, learner impact and provider response.

Level 4 – Contractual/Grant Intervention

Level 4 is applied where LCCA identifies significant or critical performance failure, serious assurance concerns or a high and immediate risk to learners or public funds.

This level reflects a position where earlier intervention has failed to secure improvement and where decisive action is required to protect delivery integrity.

Level 4 may be applied where, for example:

- An Insufficient Assurance outcome indicates material failure in delivery, quality or compliance
- A provider fails to deliver required improvement actions at Level 3, including non-compliance with agreed improvement plans
- Audit, assurance or monitoring activity identifies serious funding, data or governance failures
- Safeguarding, learner welfare or regulatory risks arise that require immediate intervention
- Risks are assessed as severe, systemic or escalating rapidly

At Level 4, LCCA will normally consider the use of formal contractual or grant remedies, applied in accordance with the relevant Funding Agreement or Contract for Services.

Actions taken at this level may include, but are not limited to:

- Restriction or suspension of recruitment, delivery or growth
- Increased or continuous monitoring and assurance activity
- Withholding or suspension of funding payments
- Reduction in funding allocation or scope of delivery

- Partial or full termination of delivery arrangements

Level 4 does not automatically result in termination. Decisions will be proportionate to the severity and nature of the risk and will take account of delivery context, provider response, learner impact and the need to safeguard public funds.

6.21 Movement Between Management Levels

Providers will normally remain at Level 1 unless LCCA determines that a higher level of oversight or intervention is required. Movement between levels is informed by assurance outcomes but is not mechanically driven by a single Quarterly Performance Review score.

Management levels may be reviewed and amended at any point during the funding year, including through Monthly Operational Reviews, Quarterly Performance Reviews or where emerging risks or concerns are identified.

Escalation will typically occur where LCCA identifies either:

- Persistent underperformance, evidenced by sustained Limited Assurance or failure to improve over time; or significant underperformance, evidenced by Insufficient Assurance and/or serious or immediate risk

In cases of severe risk, LCCA may escalate a provider by more than one level in a single step.

6.22 De-escalation

Movement to a lower level will be considered where providers demonstrate sustained improvement and effective risk management, including:

- Improved assurance outcomes over time
- Delivery against agreed improvement actions
- Confidence that improvements are durable

De-escalation will normally be informed by evidence gathered through performance reviews, compliance monitoring, audit activity and progress against agreed actions. De-escalation will usually be considered as part of the quarterly review cycle but may occur at any point where LCCA is satisfied that sufficient and sustained improvement has been demonstrated.

While providers will normally move through management levels sequentially, LCCA reserves the right to de-escalate a provider by more than one level where the evidence demonstrates significant and sustained improvement and LCCA is satisfied that the associated risks have been adequately mitigated.

6.23 Review Schedule

Month	26/27	27/28	Monthly Review	Quarterly Performance Review
Jul			On boarding	
Aug			On boarding	
Sept	R01		R01	
Oct	R02		R02	
Nov	R03			R01-03 (Review 1)
Dec	R04		R04	
Jan	R05		R05	
Feb	R06			R01-06 (Review 2)
Mar	R07		R07	
Apr	R08		R08	
May	R09			R01-09 (Review 3)
Jun	R10		R10	
Jul	R11		R11	
Aug	R12			R01-12 (Review 4)
Sept	R13	R01	R13-R01	
Oct	R14	R02		Final 26/27 Review

6.24 Application Across Funding Routes

This Performance Management Framework applies to all providers delivering Adult Skills Fund provision, whether delivery is commissioned through procurement under a Contract for Services or supported through grant funding arrangements.

Where delivery is procured under a Contract for Services, formal contractual actions will be taken in accordance with the Call-Off Terms and Conditions, including Schedule 5 (Performance Management).

Where delivery is supported through grant funding, formal action will be taken in accordance with the Grant Funding Agreement, including the use of Recipient Action Plans, withholding or suspension of grant payments, and termination under Clauses 17, 28 and 29 respectively.

The management levels set out in this Framework provide a consistent risk-based approach to oversight across all funding routes. The specific contractual or grant mechanisms used to address performance concerns will reflect the relevant legal agreement but will be applied in a proportionate and transparent manner.

6.25 Application of Management Levels Across Funding Routes

PMF Level	Procured Delivery	Grant-Funded Delivery
Level 1 – Assured Delivery	No formal action required	No formal action required
Level 2 – Targeted Oversight	Increased engagement and scrutiny	Enhanced monitoring under Clause 10
Level 3 – Formal Improvement	Performance Notice and Remedial Plan (Schedule 5)	Recipient Action Plan (Clause 17)
Level 4 – Contractual/Grant Intervention	Breach Notice, suspension and/or termination	Withholding or suspension of grant (Clause 28) and/or termination (Clause 29)

7. Careers and Educational Information, Advice and Guidance

7.1 Embedding High-Quality CEIAG Across the Learner Journey

Providers must ensure that high-quality Careers Education, Information, Advice and Guidance (CEIAG) is embedded throughout all ASF-funded delivery. CEIAG should support learners from initial enquiry through to progression into further learning, employment, volunteering or other positive destinations.

CEIAG must be accessible, impartial and tailored to individual learner needs, enabling informed decision-making at every stage of the learner journey.

7.2 Requirement to Hold Matrix Standard Accreditation

All providers are required to hold the Matrix Standard Accreditation for Information, Advice and Guidance for the full duration of their Grant Agreement and/or Contract for Services. Providers must supply LCCA with evidence of their current accreditation and ensure it remains valid and in good standing throughout the funding period.

7.3 Time-Bound Commitment to Achieve Matrix Accreditation

Providers that do not hold Matrix Standard Accreditation at the commencement of their contract or grant must commit to achieving accreditation within six months of the start date.

A clear, time-bound action plan must be in place and available to LCCA, demonstrating progress toward achieving accreditation within the required timeframe.

7.4 Role of the Matrix Standard in Quality and Learner Outcomes

The Matrix Standard ensures learners have access to consistent, high-quality information, advice and guidance to support informed choices about learning and employment. Effective CEIAG contributes to:

- Reduced learner withdrawal rates
- Improved learner satisfaction and engagement
- Increased progression into positive and sustained destinations
- The overall quality and effectiveness of both regulated and non-regulated learning provision

7.5 CEIAG Requirements for Subcontracted Delivery

Where ASF-funded learning is delivered through subcontracting arrangements, the prime provider must ensure that subcontractors meet equivalent CEIAG requirements to those that apply to directly delivered provision.

Subcontractor agreements must include clear and enforceable obligations relating to:

- Matrix Standard Accreditation (or a requirement to be actively working toward accreditation within an agreed timeframe)
- Defined CEIAG delivery roles and responsibilities
- Quality assurance and oversight arrangements

Where the prime provider delivers CEIAG directly to learners, subcontractors are not required to hold Matrix accreditation. In such cases, the prime provider must evidence that all CEIAG requirements are fully met for learners receiving subcontracted delivery.

7.6 Subcontractor Due Diligence and Assurance

The prime provider is responsible for conducting ongoing due diligence and assurance to verify that subcontracted CEIAG arrangements remain compliant.

This includes confirming that each subcontractor:

- Holds current Matrix Standard Accreditation or is actively working toward accreditation within the required timeframe

Providers must retain evidence demonstrating:

- Subcontractor CEIAG arrangements
- Progress toward or maintenance of Matrix accreditation
- Effective oversight and quality assurance of CEIAG delivery

This evidence must form part of the provider’s internal quality assurance processes and be made available to LCCA on request, including as part of performance reviews, audit, or assurance activity.

7.7 Ongoing Compliance and Continuous Improvement

Matrix Standard Accreditation is valid for a period of three years. Providers must ensure ongoing compliance with the standard and prepare for continuous improvement and re-accreditation activity throughout the accreditation cycle.

Providers must be able to evidence:

- How CEIAG delivery has developed over time
- How learner feedback, employer input and assessor recommendations have informed improvements

8. Partnership and Insight Reviews (PIRs)

8.1 Overview of Partnership and Insight Reviews

LCCA will undertake Partnership and Insight Reviews (PIRs) with all ASF-funded providers as part of its wider performance management and continuous improvement arrangements.

Designed to strengthen collaborative working between LCCA and providers, these reviews provide insight into the effectiveness of delivery and the learner experience while supporting ongoing improvement across ASF-funded provision. They create opportunities for professional dialogue, reflection and the sharing of effective practice across the provider network, helping to enhance outcomes for learners and communities across Lancashire.

PIRs are developmental in nature and are not inspections, grading exercises or formal assurance visits. Instead, they take a partnership-based approach, using constructive challenge and evidence-informed discussion to support providers in recognising strengths, addressing areas for development and sharing effective practice.

PIRs do not replicate or replace Ofsted inspection activity and do not result in grades or formal judgements. Their purpose is to facilitate collaborative review and continuous improvement through open, professional discussion and shared understanding of delivery.

PIRs will normally:

- Take place at least once per year (per contract)
- Be delivered by the designated Project Officer
- Be tailored to the provider, provision type
- Complement other performance management, audit and assurance activity

The focus of a PIR may include:

- Learner engagement, experience and outcomes
- Progression and achievement

- Continuous improvement processes
- Learner support and CEIAG
- Areas identified through performance reviews, learner feedback, audits or emerging risk

Where appropriate, PIRs may take the form of:

- General Partnership and Insight Reviews
- Thematic or focused reviews targeting specific areas of risk or performance concern
- Follow-up reviews to assess progress against agreed actions

Evidence gathering may include:

- Discussions with managers and delivery staff
- Learner voice activities
- Review of performance data and supporting documentation
- Consideration of provider self-assessment and improvement activity

Findings from PIRs contribute to LCCA's holistic understanding of provider performance and may inform performance reviews, provider assurance arrangements and continuous improvement planning.

8.2 Partnerships and Insights Review Process and Outputs

Providers will normally receive advance notice of a Partnership and Insight Review to enable appropriate preparation and participation.

Prior to the review, providers may be asked to make available:

- Relevant performance information and supporting documentation
- Key members of staff
- Learners and/or employers, where appropriate
- Information relating to current risks, challenges and improvement activity

At the conclusion of the review, verbal feedback will normally be provided, highlighting:

- Strengths and effective practice
- Areas for development
- Emerging risks or concerns
- Potential opportunities for improvement, innovation and shared learning

Following the review, LCCA will issue a Partnership and Insight Review report which may include:

- Key findings and insights
- Areas of effective practice and innovation
- Recommendations for improvement

- Agreed actions and timescales, where required

Where appropriate, examples of effective practice, innovative approaches and positive learner outcomes identified through the review process may be shared across the ASF provider network. This may include discussion through Communities of Practice, provider forums and other collaborative engagement activities, helping to promote peer learning, strengthen partnership working and support continuous improvement across the sector.

Progress against actions will be monitored through routine performance management arrangements, including Monthly Operational Reviews and Quarterly Performance Reviews. Where necessary, a follow-up review may be undertaken to assess progress and evaluate the effectiveness of improvement activity.

The outcomes of PIR activity will be considered alongside KPI performance, learner feedback, audit findings and other assurance evidence as part of LCCA's proportionate and risk-based approach to provider oversight.

9. Assurance, Social Value and Stakeholder Feedback

9.1 Social Value Commitments and Monitoring

Social value is a core component of LCCA's commissioning approach and forms an integral part of the assurance framework.

Providers are required to set out clear, meaningful and measurable social value commitments as part of their Funding Agreement or Contract for Services.

These commitments are intended to deliver wider benefits for learners, communities, employers and the Lancashire economy beyond the direct delivery of learning.

9.2 Monitoring Social Value Delivery

LCCA will monitor performance against agreed social value commitments through a proportionate assurance approach, which may include:

- Review of provider-submitted social value evidence and updates
- Discussion within performance review meetings
- Consideration during Partnership and Insight Reviews
- Learner, employer or stakeholder feedback
- Audit or sampling activity where appropriate

Providers must retain sufficient evidence to demonstrate delivery against commitments and be able to show how planned activity has translated into tangible outcomes.

9.3 Use of Social Value in Performance Management

Performance against social value commitments will form part of the overall assurance evidence base and may inform:

- KPI scoring and Provider Assurance Levels
- Quarterly Performance Review discussions
- Eligibility for funding redistribution
- Future-year funding and commissioning decisions

Where delivery against social value commitments falls materially below expectations, LCCA may agree improvement actions with the provider. Persistent or significant failure to deliver agreed social value commitments may contribute to escalation under the performance management framework set out in Section 6.

9.4 Learner, Employer and Stakeholder Feedback

Learner and Stakeholder Voice

All learners must have clear, accessible and inclusive opportunities to provide feedback on their learning experience.

This principle also applies to employer partners and other stakeholders engaged in ASF-funded delivery.

Independent Learner Satisfaction Surveys

LCCA will conduct independent learner satisfaction surveys to capture objective, direct feedback on ASF-funded provision. Surveys will be issued periodically. Participation is entirely voluntary and responses will be used in aggregated form wherever possible to inform programme monitoring and improvement.

Providers must:

- Inform learners about the survey and its purpose
- Encourage participation; and
- Provide appropriate support to enable engagement where required

Consent, Data Protection and Data Submission

Providers are responsible for ensuring full compliance with data protection requirements. Specifically, providers must ensure that:

- The LCCA ASF Privacy Notice is shared as part of learner onboarding and enrolment
- Learners are clearly informed about any optional LCCA-led research, evaluation, feedback or survey activity
- Systems are in place to manage and evidence learner consent status

Scope and Use of Learner Feedback

Surveys will normally be short and issued via text message and/or email. Topics may include:

- Enrolment and onboarding experience
- Teaching, learning and learner support
- Quality of CEIAG
- Overall learning experience
- Intended or actual progression outcomes

Learner feedback will supplement quantitative performance measures and contribute to qualitative evaluation, identification of effective practice and targeted improvement activity.

Provider-Led Feedback

In addition to LCCA-led surveys, providers must maintain their own learner and employer feedback mechanisms, including:

- Learner focus groups
- Course evaluations
- Structured feedback tools
- Employer engagement feedback

This feedback should inform provider self-assessment and quality improvement activity and be shared with LCCA where requested.

9.5 Internal LCCA Audit and Assurance Activity

LCCA will undertake internal audit and assurance activity throughout the year to provide ongoing assurance over compliance, data quality, funding claims and the effectiveness of provider controls.

Phased Approach to Compliance Monitoring

During the 2026/27 funding year, LCCA will implement compliance monitoring through a phased approach to support provider onboarding and establish a robust baseline of assurance.

- Phase 1: Controls and Onboarding
- Phase 2: Initial Provider Review
- Phase 3: Ongoing Quarterly Sampling
- Evidence Submission and Review
- Outcomes and Escalation

Phase 1: Controls and Onboarding

During the initial period of delivery, LCCA will focus on:

- Provider engagement and relationship building
- Review of provider controls, systems and processes
- Review of existing audit and assurance activity
- Support, guidance and onboarding activity to establish robust compliance arrangements

This phase is intended to support providers in establishing compliant delivery arrangements and to enable LCCA to gain an understanding of provider control environments prior to undertaking substantive compliance testing.

Phase 2: Initial Provider Review

Following the onboarding period, all providers will be subject to an initial compliance review. As part of this review:

- A sample of three learner records will be selected from every provider
- Checks will focus on learner eligibility, enrolment, evidence retention, data accuracy and compliance with funding requirements
- Findings will be used to establish provider risk profiles and inform future monitoring activity

This review will provide a baseline level of assurance across all providers funded by LCCA.

Phase 3: Ongoing Quarterly Sampling

Following completion of the initial provider review, LCCA will operate a programme of quarterly compliance sampling. Each quarter:

- Approximately 100 learner records will be selected for review across the provider base
- Sampling will be undertaken using a combination of random selection and risk-based intelligence
- Findings will inform provider risk ratings, performance reviews and audit planning

Compliance monitoring will normally be aligned to LCCA's Quarterly Performance Review cycle. As a guide:

- Review 1 (R01-R03): Initial compliance review and establishment of baseline assurance
- Review 2 (R01-R06): Ongoing compliance sampling and monitoring
- Review 3 (R01-R09): Compliance monitoring to inform assurance and future-year planning

- Review 4 (R01-R12): End-of-year compliance sampling and assurance activity Additional compliance reviews may be undertaken where risks, concerns or material issues are identified.

As a result:

- Not all providers will be selected for compliance checks every quarter
- Providers selected for review will normally be required to submit a minimum of 3 and a maximum of 15 learner records
- The scope and frequency of compliance activity may vary depending on provider risk profile, previous findings, delivery volume and other relevant intelligence sources.

Evidence Submission and Review

Providers will be notified of selected learner records and required to upload supporting evidence through the designated LCCA system within specified timescales. Providers will normally be required to submit requested evidence within 7 working days of notification.
LCCA Compliance Officers will assess evidence against defined checking criteria to provide assurance over:

- Learner eligibility and residency
- Enrolment evidence
- Participation and learning activity
- Funding eligibility
- Data and ILR accuracy
- Provider systems and controls

LCCA will normally complete its review and communicate findings within 10 working days of receiving all requested evidence, although timescales may vary depending on the complexity or scope of the review

Outcomes and Escalation

Findings from compliance activity will inform:

- Provider risk assessments
- Quarterly Performance Reviews
- Provider Assurance Levels
- Future sampling activity
- Audit planning and intervention decisions where required

Providers will receive feedback on findings and will have the opportunity to provide clarification or additional evidence where appropriate. Where clarification or additional evidence is requested, providers will normally be expected to respond within 5 working days.

Following consideration of any clarification or additional evidence, LCCA will issue a final outcome report.

Where a provider remains dissatisfied with a finding or outcome contained within the final report, they may submit an appeal to LCCA. Appeals should be supported by relevant evidence or information and will be considered in accordance with LCCA's internal procedures. The outcome of the appeal will be communicated to the provider in writing.

9.7 External Audit Activity

LCCA's internal assurance activity will be complemented by independent external audit.

External audit activity may include:

- Review of governance and control arrangements
- Substantive testing across funding streams and validation of internal assurance processes

Findings will inform LCCA's overall assurance judgements and support system-wide improvement.

9.8 Compliance Monitoring, Evidence Retention and Escalation

Providers must maintain robust internal quality assurance arrangements and retain evidence supporting all funding claims and ILR submissions.

Learner files and supporting evidence must be retained for six years following final payment. Electronic storage is recommended to support compliance with UK GDPR and the Data Protection Act 2018.

Where issues are identified through assurance activity, LCCA may require the provider to enter a Performance Improvement Plan, applied proportionately in line with Section 6.

9.9 Annual Assurance and System Oversight

As the accountable body for devolved ASF delivery, LCCA will produce an annual assurance statement confirming effective governance, audit and control arrangements.

This may draw on:

- Internal assurance activity
- External audit findings
- System-wide analysis of risk, performance and compliance

10 Subcontracting and Consortia

10.1 Definition of Subcontracting

For the purposes of ASF delivery, subcontracting occurs where any element of a learner's programme of learning is delivered by a separate legal entity or an individual who is not an employee, under an agreement with the lead (prime) provider.

A separate legal entity includes, but is not limited to:

- Companies within a provider's group or associated companies
- Other training organisations
- Charities, social enterprises or voluntary sector organisations and sole traders

An individual may include:

- A self-employed person or sole trader
- A freelancer or an individual employed via an agency

unless that individual is working under the prime provider's direct management and control in the same way as the provider's own employees.

Subcontracting applies regardless of:

- Whether delivery takes place on-site, off-site, or online
- Whether the arrangement is described as a "service", "partnership", or similar.

Subcontracting does not include:

- Relationships with third parties providing non-delivery services only (for example marketing, IT systems, venue hire, or administrative support), where those third parties do not deliver any element of the learning programme.

10.2 Principles for the Use of Subcontracting

Subcontracting will only be approved where it can be clearly demonstrated that it enhances the quality, reach or impact of ASF-funded provision and supports Lancashire's strategic priorities.

In particular:

- Subcontracting must demonstrably enhance delivery and better support Lancashire's strategic aims than if the provision were delivered solely by the prime provider. This may include, for example, access to specialist expertise, priority learner groups, geographic reach, sector-specific provision, or innovative delivery models that the prime provider cannot reasonably deliver alone.

- Subcontracting must not be used as a mechanism to manage under-delivery, mitigate performance risk, or offset internal capacity or capability issues within the prime provider.

LCCA will not approve subcontracting arrangements that are primarily intended to:

- Avoid delivery responsibility
- Resolve internal resourcing or staffing constraints or compensate for poor performance against agreed delivery plans

These principles apply to both new and existing subcontracting arrangements and will inform approval, monitoring and any subsequent review of subcontracted provision.

10.3 Prior Approval and Compliance

Subcontracting must not take place unless prior written approval has been obtained from LCCA.

LCCA reserves the right to pause funding and investigate any instances of suspected subcontracting where approval has not been secured.

All providers must comply with the DfE Subcontracting Funding Rules for post-16 education and training, as referenced within this Framework. These rules set out the national requirements governing subcontracted delivery and apply to all providers receiving ASF funding.

LCCA will review its subcontracting expectations annually to reflect updates or policy changes issued by the DfE.

10.4 Declaration of Subcontracting Arrangements

As part of agreeing a provider’s Delivery Plan, and prior to the commencement of a Grant Agreement or Contract for Services, providers must declare any proposed use of subcontractors through a subcontractor declaration.

Providers must not enrol learners onto subcontracted provision until formal written approval has been received from LCCA.

10.5 Required Information

Subcontractor declarations must include full details of all proposed subcontracting arrangements, including:

- The name and UKPRN of the subcontractor
- The rationale for subcontracting
- The specific provision to be delivered
- Expected learner volumes
- Management, quality assurance and oversight arrangements

10.6 Changes During the Funding Year

If a provider wishes to introduce new subcontractors or make changes to previously approved subcontracting arrangements during the funding year, a business case must be submitted to LCCA and written approval received before any subcontracted learning begins.

The business case must clearly demonstrate:

- A compelling strategic rationale for the change
- How the proposal will strengthen the local offer for Lancashire residents
- Alignment with LCCA priorities and the Lancashire Strategic Skills Plan

10.7 Accountability and Oversight

Prime providers retain full accountability for all subcontracted delivery. Prime providers must demonstrate effective contracting, quality assurance and performance management arrangements to ensure subcontracted provision meets the standards and expectations set out in this Framework and the relevant Funding Rules.

This includes ensuring subcontractors:

- Comply with CEIAG requirements
- Maintain accurate, complete and timely ILR data
- Meet evidence pack requirements
- Comply with safeguarding, Prevent and GDPR obligations

10.8 Ongoing Monitoring Expectations

Where subcontracted provision is approved, LCCA expects prime providers to:

- Undertake regular monitoring and quality assurance visits
- Maintain clear and accessible audit trails
- Review learner progress and evidence packs
- Ensure teaching, learning and assessment meet LCCA quality expectations
- Review subcontractor financial health and viability
- Maintain oversight of staffing, facilities and learner support arrangements

These requirements reflect the prime provider's role as the responsible and accountable organisation under the funding agreement.

10.9 Value, Alignment and Risk

All subcontracting arrangements must:

- Support identified local priorities
- Add clear value to the learner experience
- Avoid unnecessary duplication of existing provision

- Demonstrate value for money
- Uphold the principles of fairness, transparency and continuous quality improvement

LCCA reserves the right to decline, amend or withdraw approval for subcontracting arrangements that:

- Are not aligned with local need
- Do not demonstrate value for money
- Present an unacceptable level of delivery, financial or reputational risk

Please see the DfE Subcontracting funding rules here for further guidance. This will be reviewed on an ongoing basis as DfE make further updates on this policy.

11. ILR and Data Submissions

11.1 Learner Data Accuracy and Evidence Requirements

Providers are expected to have sufficient capacity, capability and systems in place to collect, manage and report accurate learner data and to retain appropriate supporting evidence.

Providers must ensure that all updates to learner information, including starts, withdrawals, completions and achievements, are recorded promptly, accurately and in line with ILR requirements. Data submissions must be timely and reflect an accurate picture of delivery activity at all times. ILR data returns must be submitted monthly in accordance with LCCA requirements to support routine performance monitoring and inform Monthly Operational Reviews and Quarterly Performance Reviews.

Providers are responsible for maintaining auditable evidence to support all data returns and funding claims. This evidence must be retained in line with funding rules and made available to LCCA upon request for monitoring, audit or assurance purposes.

Further information and detailed guidance on ILR data requirements can be found in the LCCA ILR Guidance Document, available via the Skills Hub.

12. Marketing, Branding and Communications

12.1 Marketing and Communications Requirements

Providers are expected to promote ASF funded provision accurately, professionally and in a manner that reflects the requirements of LCCA. This includes, but is not limited to:

- Promotional materials and advertising
- Websites and digital content
- Social media activity
- Learner communications

- Press releases and publicity relating to ASF-funded provision

12.2 Branding Requirements

LCCA will publish branding and communications guidance setting out requirements relating to the use of logos, funding acknowledgements, marketing materials, digital content and public communications. Providers must comply with the latest published guidance when promoting or delivering ASF-funded provision.

Providers must ensure that references to ASF funding and LCCA are accurate, up to date and not misleading.

Where appropriate, LCCA reserves the right to review publicity materials relating to significant announcements, case studies, media activity or press releases concerning ASF-funded provision prior to publication.

LCCA may update branding and communications requirements from time to time. Providers will be notified of any changes and provided with a reasonable implementation period to incorporate revised branding requirements, subject to any specific timescales communicated by LCCA.

In implementing new branding requirements, LCCA will take a proportionate approach, recognising the practical implications for existing marketing materials and communications. Providers will not normally be required to replace existing printed materials immediately, provided reasonable efforts are made to transition to updated branding within the agreed implementation period.

12.3 Future Guidance

At the time of publication, LCCA's branding and communications arrangements are being developed. Further guidance will be issued in due course and may be updated periodically. Providers will be expected to comply with the latest published guidance within the timescales specified by LCCA.

13. Document Review, Change Control and Updates

13.1 Framework Review and Change Management

This Performance Management Framework will be reviewed periodically to ensure it remains:

- Fit for purpose
- Compliant with national funding rules and requirements
- Aligned with the strategic priorities of the Lancashire Combined County Authority (LCCA)

LCCA may update this Framework as required to reflect:

- Changes to national policy, funding rules or ILR guidance
- Updates to local strategic priorities or governance arrangements
- Findings from audit, assurance or external review activity
- Lessons learned from delivery, performance management and provider engagement

Where material changes are made that affect provider obligations, LCCA will:

- Notify providers in writing
- Publish the updated version on the Lancashire Skills Hub website
- Confirm the effective date of the revised arrangements

Providers are responsible for ensuring they are working in accordance with the latest published version of this Framework.

14. Further Information and Contacts

14.1 Performance Management Framework Enquiries

If you have any questions about this Performance Management Framework, or require clarification on performance management, Partnership and Insight Review or compliance requirements, please contact:

- Your assigned LCCA Project Officer, or
- adultskillsfund@lancashireskillshub.co.uk

Providers are encouraged to raise questions early to support constructive dialogue and timely resolution of issues.