Operational guidance to support 2009/10 in year management of provision

January 2010

Of interest to anyone in the Shadow SFA involved in relationship, provider and contract management from post-award, monitoring, performance management of funding agreements and contracts for education and training.
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Purpose of the guidance

- This Operational Guidance sets out consistent business processes for divisional teams to follow in the management of providers and contracts during 2009/10.
- It includes the processes for the in-year management of:
  - Adult learner responsive provision
  - Employer responsive provision including Apprenticeships
  - Employability Skills Programme
  - Learners with learning difficulties and/or disabilities provision
- This Operational Guidance is being updated to support the 2010/11 year (this will be made available in December). This will include the business processes for the 2010/11 allocations process.
- Guidance on ESF and Programmes for the Unemployed is linked with this document but is currently separate from it; both these areas will be integrated in the 2010/11 Operational Guidance and will be found on the Commissioning and Procurement team site.
- This guidance is aligned with the Allocations Management and Payments (AMPS) systems for DLF Adult and Employer and Adult Safeguarded Learning (ASL).
- Appendix J sets out where further guidance documents can be found.
- A glossary can be found on the Commissioning and Procurement team site.
- The existing and planned library of LSC/SFA business process guidance is illustrated overleaf.
This Operational Guidance is a work in progress document, providing guidance, particularly in the areas of Adult Learner Responsive and Employer Responsive quarter one performance management.

This first release contains differing levels of detail according to the maturity of content and some gaps which will be addressed in future releases.

Future releases will include quality (including risk assessment and where appropriate, use of minimum levels of performance); expansion of performance management; programme management; policy summaries to inform the provider dialogue plus 2010/11 allocations. Roles will also be revisited as they become clearer.
The existing and planned library of LSC/SFA business process guidance is illustrated below.
Roles

- Throughout the Operational Guidance, functional roles are assigned to tasks and activities (e.g. Account Manager, Contract Manager).

- As we are in transition to new structures, it has not been possible to differentiate within the roles specified (i.e. there is no distinction made between Account Advisor, Account Manager, Account Director etc).

- It is therefore important that divisional and portfolio teams are clear on which individuals are charged with responsibilities, within and across departmental areas.

- We have used the term Account Manager to cover any provider facing account management role (Provider Services) and the term Contract Manager to cover contract management roles (Finance).

- The Scheme of Delegation will determine the level at which some tasks need to be performed (e.g. budget and finance tasks).

- Colleagues should also be mindful of the Segregation of Duties - hence the clear distinction between account roles and contract roles.

- Further work will need to be conducted on roles and responsibilities for the 2010/11 guidance.
Skills Funding Agency operations and Account Management principles

- The Skills Funding Agency will operate a single account management model for allocating funds and managing the performance of providers. This will mean that all providers – whether local, regional or national - will have a single interface with the Skills Funding Agency through one Account Manager that will deal with all mainstream programmes.

- Account Management teams will be based around the country, grouped into 3 portfolio areas (each covering 3 regions). Each team will be responsible for a caseload of providers, from those that deliver solely in the local area to those that are multi-sited or national. In all cases, the Account Manager will deal with the whole of a provider’s Skills Funding Agency delivery, regardless of where delivery takes place.

- For 2010/11, the Skills Funding Agency will allocate funds to providers through a common and consistent process. Provision will be agreed in one Summary Statement of Activity which will cover all Skills Funding Agency delivery, including 16-18 Apprenticeships.

- The Skills Funding Agency will focus on investing in high-quality provision. The Framework for Excellence and the minimum levels of performance policy will be the main levers used to drive quality improvement in the sector.

- Account Managers will review provider performance on a regular basis, particularly for employer responsive provision. Poor performance will be tackled systematically: where providers fail to meet performance thresholds, funding will be removed and re-allocated to other providers.

- In 2010/11, the Skills Funding Agency will predominantly agree allocations and contracts with providers through a negotiated route, using tendering by exception. For 2011/12, an Approved Supplier Register will be established that will ensure the quality of new providers and streamline the existing pre-qualification and invitation to tender process for provision that needs to be tendered.

- The Skills Funding Agency will also develop a new internet-based system which will allow information about contracts, funding and performance to be shared with providers. This will support dialogue between providers and Account Managers around planning, allocations and performance management.

Account Management is…

- A single national interface with each provider covering:
  - Negotiation/allocation of funding
  - Performance management: monitoring and review
  - Intervention, relative to risk
  - Provider-specific projects (capital etc)

- A neutral/objective view of the provider

- The means by which we manage the programmes we are accountable for (ALR, TTG, Apps, IES, ESF etc), and

- Negotiate the delivery of national/regional/local priorities – this requires dialogue with colleagues in Skills, NAS, YPLA/LA
Account Management is not...

- “Partnership” management – it’s about performance
- Acting as a local intermediary between providers & partners (e.g. PCDL partnerships, etc)
- Replacing provider decision making or management functions (e.g. resolving a provider’s data issues where it is contractually responsible)
- Acting as the provider’s advocate, or adversary

From partnership management to account management

In practice, this means:

- Most time spent on provider-related work
- Less/little time on partnership/stakeholder work
- Still visiting providers, but maybe less frequently, and more meetings in office
- Provider performance management is a big feature of the job – review and action

Scope – programmes

- Account managers responsible for all mainstream programmes delivered by their providers:
  - Adult Learner Responsive
  - Employer Responsive – TTG & Apps
  - European Social Fund
  - Programmes for the unemployed
- Some programmes will be managed by staff in Regional Skills, i.e. AACS, OLASS in custody and Leadership and Management (maintaining close dialogue with the account manager where the provider also has a mainstream contract)

Capital Projects, re-organisations etc

- Current projects allocated between Account Management Teams
- Structured handover from previous to new project lead
- Teams need to develop capacity to manage future projects

Scope – functions

- The principle of identifying a named individual responsible for each provider needs to be adopted by the following teams:
  - Account Management – Provider Services
  - Contract Administration - Finance
  - Provider Financial Assurance and Management - Finance
- This will enable regular inter-team dialogue and case conferencing about provider-specific matters
Links with other Functions

- NAS and Skills articulate demand, emerging priorities, market failure etc
- Provider Services commissions, procures and manages
- This requires regular, structured dialogue

Caseloadings

- Accounts allocated on the basis of size, complexity/level of risk, geography, availability of staff resource
- Named individual with lead responsibility
- Accounts managed in teams led by Band 4 Head of Accounts – team responsibility
- Every account has an Adviser or Manager
  - Adviser generally for accounts <£1m (a guideline, not a rule)
  - Manager for accounts >£1m
- Head of Accounts for General FE Colleges/very large providers

Delegated authorities

- Senior Account Directors:
  - Sign contracts (and therefore do not manage accounts – separation of duties)
  - Provider oversight/decision-making
  - Lead on major projects and interventions
  - Also have regional/divisional/national functional responsibility
- Decisions about allocations/contract variations will be moderated in divisions, and sometimes nationally

Functional Leads

- Matrix approach – accounts/programmes
- Band 5s to have national and portfolio lead roles
- Within each portfolio, Band 5 leads for:
  - Performance management & allocations
  - ALR
  - ER
  - ESF
- Programmes for the unemployed
- Other, e.g. capital
- Within each Band 5-led team (or each region), Band 4 functional leads

**To support account managers**
- More central/national calculation of draft/baseline funding allocations
  - Account manager role is to fine tune these to deliver maximum contribution to priorities and targets, and VFM
- More central/national provision of programme performance data and analysis
  - Account manager role is to interpret and take action

**Single Account Management System (SAM)**
- Formerly called the ‘Single Account Management System’
- It will provide a single on-line portal for account managers (and providers)
- Giving access to data on funding, targets, contracts, payments, programme performance, quality etc
- For 2010/11, based mainly on legacy systems (AMPS etc)
- Will gradually replace these with new integrated system
- More information will follow over the coming weeks
- **Change will be gradual**

This guidance applies primarily to Account Managers, Contract Managers and Provider Financial Assurance, as well as other national and divisional roles.
2009/10 Generic provider management business process model

The following diagram shows the high level provider management business process model for 2009/10, illustrating the structure of this document, with direct, numbered references to the appropriate section for details of the supporting procedure. Generic terms have been used. Individual high level business process maps for DLF and ASL can be found in appendix A.
1. Conduct risk assessment

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The following risk assessment operational guidance is subject to revision as the Single Account Management System is introduced.

As part of the overall performance management arrangements being introduced across the SfA and the YPLA, there will be a centrally-held and regularly updated register of ‘at risk’ and underperforming colleges and training providers.

There must be a consistency of approach across all providers, and this central risk register will be composed of data from multiple sources, including the present six ‘evaluation of risk’ categories (which include MLPs), notices to improve, supplementary financial information, Framework for Excellence indicators, Ofsted inspection grades, numbers of learners potentially at risk, and ‘soft’ or supplementary information held locally or nationally. (Nb this list is not exhaustive).

Relevant risk mitigation, intervention and action plans will be developed by account managers in discussion with the relevant senior members of the SFA board (and/or YPLA board, for example where General FE colleges are considered to be at risk).

The guidance below should be used in the context of that development. Risk assessment is mandatory and must be conducted:

- In the timeframe subsequent to initial 2009/10 procurement i.e. by OCT or negotiation, and before contract award.
- In the event of receiving new in year funding.
- Before actioning an in year variation to a provider’s allocation/maximum contract value whether varying upwards or downwards as there may be concerns related to e.g. quality or delivery that must be considered.
- In year in line with the approach to provider monitoring and management set at initial risk assessment. Risk categories that should be re-assessed regularly throughout the life of the contract and risk categories that should be reviewed at least annually are specifically identified below.

This section is continued overleaf.
Conduct risk assessment … continued

In the timeframes stated above, a Contract/Variation Request and Setup proforma will have been completed with all details required for downstream processing. One exception to this is the processing of ER quarter one provider performance review outputs (see sections 13 and 14) which do not require the use of this proforma.

It is critical that risk is managed effectively in order to minimise:

- Public funds being inappropriately used or lost
- Negative impact on the learner caused by failure of the provider
- Incorrect contract being awarded
- Inappropriate contract management approach being applied

The initial risk assessment will set the risk-related approach to in year provider monitoring and management, for providers in scope delivering provision under the following funding streams:

- Demand Led Funding (DLF) Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

The assessment uses risk categorisation and management with a view to focusing on areas of higher risk. The following categorised risk factors must be assessed for each individual provider contract in scope:

- Risk category 1 - Contract Value as a percentage of provider turnover (review regularly)
- Risk category 2 - Contract Value: percentage of total contract value devolved to subcontractors or other consortium members (review regularly)
- Risk category 3 - Financial Risk: view of financial risk from Financial Health Assessments, Audit reports and Framework for Excellence (review at least annually)
- Risk category 4 - Change: rapid expansion in volume/value of provision and expansion into new types of provision. Change of position of this provider in the marketplace or expansion in geographical delivery pattern (review at least annually)
- Risk category 5 - Quality of provision (review regularly)
- Risk category 6 - ‘Phoenixing’ provider: provider trading under a different name, maybe in a different area, with the same management team (review at least annually)

The risk assessment must be conducted at a provider or provider contract level as appropriate. For guidelines relating to the application of risk categories and components of each category see the table in appendix H. In addition, the requirement to assess each category or component of each risk category will differ according to the provider status i.e. if the provider currently exists or is new.

For new providers, historical information will not be available for comparative purposes. Where appropriate, refer to the Fraud Policy guidance throughout this section. Refer to the Provider Management Framework throughout this section for further guidance and mitigation suggestions.

For DLF and ASL, conduct risk assessment

The business process related to conducting the following six risk categories is illustrated diagrammatically only at this time. The process is under development and is expected to include textual detail supporting the diagram in the next iteration.

Unless indicated, all activities are expected to be conducted by the Account Manager.

This section is continued overleaf.
Conduct risk assessment ... continued

Evaluation of risk category 1 – Total value of all contracts as a % of provider annual turnover

Identify providers out of scope e.g. colleges, Las, major national charities and Independent Private Providers (IPPs) where their LSC funding is less than 5% of their turnover (see comprehensive list in FfE Provider Guidance).

Provider out of scope? YES To risk category 3

NO

Obtain the total value of all LSC contracts (obtained from National Contracts Register (NCR)) as a % of provider annual turnover (obtained from PFM) before the contract to be awarded.

Record High (≥ 60%), medium (20 – 59%) or low (<20%) risk in Risk Assessment Proforma.

Evaluation of risk category 2 – Contract value % devolved to sub-contractors

Confirm sub-contracting rules are still in place e.g. that down to one level only, for prime provider model, 51% of the contract value is to be delivered by that prime provider and that they can evidence 51% own delivery.

Record details of sub-contractors and value of sub-contract. Ascertain quantity of sub-contract provision by applying risk category 3.

Ascertain % of planned v actual delivery. Establish how much commitment in each sub-contractor, link to PIMS and ascertain if sub-contractor is an existing provider. Use results to advise risk.

Use above results plus calculate the % of contract value devoted to sub-contractors.

Record High (≥ or = 50%), medium (10 – 49%) or low (<10%) risk in Risk Assessment Proforma.

This section is continued overleaf.
Conduct risk assessment … continued

Evaluation of risk category 3 – Financial risk

Risk category 3
Financial risk

Identify providers out of scope for this evaluation/re-evaluation

In scope?
YES

Run Provider Financial Headroom report using National Contracts Register (formerly SPV) and ascertain actual proximity to recommended financial limit

Limit exceeded
YES

Follow Provider Financial Headroom Check procedure for business case

NO

Liaise with PFM, ascertain provider financial health grade and whether there are other financial concerns

Grade inadequate?
YES

Accept recommendations

NO

Do not award contract

Liaise with PFM and review financial elements of FMCE.

Concerns?
YES

Accept recommendations

NO

Do not award contract

NO

Liaise with PFM and review previous audit findings

Provider audit for any funding stream?
YES

Generate authorised business case

NO

Review findings i.e. qualified audit opinion, funding recoveries or inadequate FMCE grade. Review and assess whether concerns are significant and if required, take action on funding recoveries

Outputs indicate issues?
YES

Contract Team - Check financial risk related to outputs from provider performance management process

Record overall grade i.e. High (FfE grade = 4), medium (FfE grade = 3) or low (FfE grade = 2 or 1) in Risk Assessment Proforma

NO

Action required

Use reports AMPS/CO DA reports to advise judgement

NO

This section is continued overleaf.
Conduct risk assessment … continued

During evaluation of risk category 4 – Change

Risk category 4
Impact of change i.e. risk that the provider has capacity to deliver future provision

Assess the level of risk associated with any change in volume and/or value of provision compared with the previous year

Particularly for providers where financial assessment has not been conducted i.e. where providers out of scope, check capacity for future delivery and if this will affect the quality of existing provision. This is a risk related to outputs from provider performance management process.

Record risk i.e. High (change above 40%), medium (change in range 20-49%) or low (change in range 0-20%) in Risk Assessment Proforma

During evaluation of risk category 6 – Phoenixing provider

Risk category 6
Phoenixing provider i.e. risk that provider has traded under a different name, maybe in a different area, with the same management team

Contract Team - Using details available pre contract award, record the number of organisational changes related to the provider

Previous provider?

NO
Record risk category 6 assessment as not applicable

YES
Identify previous identity. Re-apply all categories of the risk assessment to the previous provider(s). Share with all appropriate colleagues/stakeholders

Record risk category 6 assessment as high risk in Risk Assessment Proforma

(see overleaf for risk category 5 diagram)

This section is continued overleaf.
Conduct risk assessment ... continued

Evaluation of risk category 5 – Quality of provision

Risk category 5
Quality of provision is a risk that the provider quality of delivery is below expectation

Assess success rates from Minimum Levels of Performance (MLP) report

Adequate?
NO

YES

Recent inspection?

YES

Assess outcomes compared with previous results

Action required?

YES

Conduct action

NO

Recent SOP and OIP available?

YES

Review mix and balance of provision in relation to needs and priorities. Check with Quality Team for any additional queries

Action required?

YES

Conduct action

NO

Check learner Health and safety assessment for any queries to be followed up. Liaise with Regional H&S Team to ensure actions completed

Action required?

YES

Conduct action

NO

For DLEs, compare the proportion of learners who achieved a learning aim with those expected to achieve from Qualification Success Rate (QSR) report

Action required?

YES

Conduct action

NO

where underperformance is identified this is a high risk (see Provider Management Framework for details). Record in Risk Assessment proforma

This section is continued overleaf.
Conduct risk assessment … continued

1.2 For DLF and ASL, record risk assessment outputs
- For each provider or provider contract, the Account Manager:
  - Using the outputs from item 1.1 above, records the results from all six risk assessment categories in the Risk Assessment proforma. At this time the proforma, to enable consistency of risk assessment is in development. The proforma is intended to combine the scores awarded to each risk category and automatically grade the provider contract overall as red for high risk, amber for medium risk and green for low risk. The final grading (red, amber or green) will identify if the contract/variation will be awarded and will set the approach to risk-related provider monitoring and management (see sections 13 to 15) i.e. red – monthly visits, amber – bi-monthly visits, green – quarterly visits.
  - Considers risk mitigation options (see Provider Management Framework).
  - Creates a Risk Log and Risk Action Plan in line with the Risk Assessment proforma and adds actions to eliminate any risks, with owner(s) and date(s).

1.3 Ascertain any action from risk assessment
- The Account Manager:
  - Using the Risk Assessment proforma, the Risk Log (in development) and Risk Action Plan (in development):
    - Decides whether to award the contract/variation. If so, adds comments to the Contract/Variation Request and Setup proforma.
    - Where appropriate, ascertains and records any action required on the Risk Action Plan.
  - Where any providers are graded red, adds the risk to the Divisional Contract Risk Register/Divisional Risk Register (operational) and the Divisional Corporate Risk Register (strategic).
  - Passes the risk assessment documentation to the Account Director for, where appropriate discussion with PFM, the addition of any further risks and return to the Account Manager, highlighting any immediate action required.

This section is continued overleaf.
Conduct risk assessment … continued

1.4 Conduct any in year action required

This item 1.4 will be expanded in the 2010/11 Operations Guide. Protocols are being developed to augment this process and will be introduced as soon as possible.

- **The Account Manager:**
  - Where low to medium risks have been identified, or when instructed to do so by the Account Director, determines if a provider meeting (see sections 13 to 15) is required. Conducts the action required.
  - Where appropriate, communicates any decision to other relevant colleagues and stakeholders.
  - Observes the correct process of informing the provider of any decision.
  - Retains all documentation as auditable evidence.
  - Follows up to ensure that all recommended actions are conducted.

- **The Account Director:**
  - Where high risk has been identified a contract/variation must not be awarded.
  - Where appropriate communicates the decision to other relevant colleagues and stakeholders.
  - Observes the correct process of informing the provider of any decision.
  - Passes all documentation including the Contract/Variation Request and Set up proforma to the Account Manager for action and retention.

- **The Account Manager:**
  - Sends a final copy of the risk assessment to the National Office QA Team.
  - Where high risk has been identified, retains all documentation as auditable evidence.
  - Follows up to ensure that all recommended actions are conducted.
## 2. Register new provider on PIMS

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This section applies to all funding streams:
- Demand Led Funding (DLF)
- Adult Safeguarded Learning (ASL)

Once the risk assessment has been conducted, ALL new providers MUST be set up on the PIMS and CODA systems. Contracts can only exist with authorised providers/suppliers, that is, they must exist on either PIMS (see glossary for definition) (for providers) and/or CODA (see glossary for definition) (for suppliers). There is therefore a requirement to register new providers/suppliers on either/both systems.

It is important to note that each organisation MUST be linked to ONE UPIN (Unique Provider Identification Number) only. Policy is to have a single UPIN on PIMS for each legal entity. Each UPIN should be linked to a UKPRN and this should be a one on one relationship. (A few cases of providers with multiple UPINS still exist – these are being managed towards closure). Each UKPRN is issued on a one on one relationship with the registration number of the legal entity by the organisations registration body i.e. Companies House, Charity Commission. If the provider advises a change of Companies House Number then it is a different legal entity to the previous organisation and will require new UKPRN/UPIN.

### 2.1 Complete data capture proforma

- The Contracts Team:
  - Using the completed Contract/Variation Request and Setup proforma, completes the hard copy PIMS proforma and gains appropriate authorisation.

This section is continued overleaf.
Register new provider on PIMS … continued

2.3 Enter data on PIMS using the completed PIMS proforma

- The Contracts Team:
  - When the PIMS proforma is fully complete, accesses PIMS and using the completed PIMS proforma, begins the registration of the new provider. Receives the PIMS returned legal name and primary contact (if this was entered by the provider in UKRLP). Ensures that the PIMS legal name exactly matches the ITT (see glossary for definition) to confirm that the LSC is contracting with the correct provider.
  - Enters the trading name and adds the appropriate funding stream flag/s, start and end date and data collection codes, where required.
  - If required, deals with any error messages.
  - Receives a message on the PIMS data editing screen reminding the Contracts Team to request the New Supplier Upload Form.
  - Where appropriate, adds lead Region/aggregation flag for DLF Employer Responsive single national contracting?

2.4 Approve PIMS new record

- National Office Information Management:
  - Checks for duplicate records and conducts a sense check of submitted fields. If appropriate, approves the new PIMS record. (See PIMS user guide).
3. Set up new CODA provider account and complete PIMS setup

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This section applies to the following funding streams:
- Demand Led Funding (DLF)
- Adult Safeguarded Learning (ASL)

For new providers, following PIMS set-up, a provider account must be set up in CODA.

3.1 Complete and process data capture on-line form

- The Contracts Team:
  - Receives a message on the PIMS data editing screen prompting request of the New Supplier Upload Form.
  - Using the New Supplier Upload Form (this is a different form to the PIMS proforma in section 2), requests a new CODA provider account from Finance (see guidance above).

- The Finance Team:
  - Approves the new CODA provider account and sends the form to the National Office Finance Standing Data Team for set up in CODA. Approvers for this purpose can be found on the Intranet at Finance Online/Payment Processes.

3.2 Enter data into CODA using the completed New Supplier Upload Form

- National Office Finance Standing Data Team:
  - Sets up the new provider account in CODA.
  - Receives an alert from PIMS into their ‘to do list’ reminding them to enter the CODA code into PIMS.

This section is continued overleaf.
Set up new CODA provider account and complete PIMS setup … continued

3.3 Enter data to PIMS using the completed New Supplier Upload Form

- National Office Finance Standing Data Team:
  - Adds the appropriate CODA code for the provider into PIMS, against the funding stream flag.

Note that the above information **MUST** be in place prior to the contract approval stage (see section 9).

3.4 Interface data from PIMS to AMPS

- A system interface then imports provider information from PIMS. This is to enable users to associate a provider with a contract. Note that:
  - Any records that have been created in PIMS but have not been approved by the National Data Approver will be excluded from the upload.
  - All fields uploaded will be updated if they change in PIMS.
  - Unapproved CODA codes will be highlighted in red in AMPS.

New provider set up is now complete in PIMS and CODA.
4. Process AP spreadsheet data for in year new contract

<table>
<thead>
<tr>
<th>Office/Dept</th>
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</tr>
</thead>
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</tr>
<tr>
<td></td>
<td>Allocation and Planning Manager</td>
</tr>
<tr>
<td>Timing</td>
<td>In line with receipt of new funding</td>
</tr>
<tr>
<td>Information source</td>
<td>Allocation and Planning Spreadsheets and Contract/Variation Request and Set up proforma (Commissioning and Procurement team site)</td>
</tr>
<tr>
<td>Guidance</td>
<td>AMPS DLF Regional User Guides and ASL User Guide</td>
</tr>
<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
</tbody>
</table>

This section applies to the following funding streams where **new** contracts (i.e. not variations to contract) are created in year:

- Demand Led Funding (DLF)
  - Employer Responsive (including 16-18 Apprenticeships)
  - Adult Learner Responsive
- Others (including Adult Safeguarded Learning (ASL), ESP and other NFF funding streams e.g. OLASS)

### 4.1 Add new budget or vire a budget

Following the set up of a new provider in PIMS and CODA or for an existing provider, it is necessary to set up the budget in AMPS in line with any new or vired funding to enable completion of the Allocation and Planning (AP) spreadsheets and subsequent upload of the data into AMPS. The request for the set up/virement of the budget routes through the Portfolio Managers, then through the Operations and Planning Group to the Operations Board for approval. On approval, National Office Finance is notified in order to make the budget change in the budget book.

- **National Office Finance:**
  - Makes the changes to budgets in the budget book and requests the NO Allocations Team to make the required budget changes to allocations/MCV (up to including March 2010) in AMPS.

- **National Office Allocations Team:**
  - The Allocations Team makes the required budget changes to allocations/MCV (up to including March 2010) in AMPS (see appendix C for ER supporting detail) and informs National Office Finance on completion.

- **National Office Finance:**
  - Approves the changes made in AMPS and informs the Account Manager of completion.

**This section is continued overleaf.**
4.2 Populate the AP spreadsheets

Subsequent to budget set up, it is necessary to complete the Allocation and Planning (AP) spreadsheets with details representing how funding will be allocated/re-allocated. Three individual spreadsheets, one for each of the funding streams/groups below, can be found on SharePoint and should be used for this purpose.

The Adult and Other spreadsheets are split into two tabs, each requiring completion. The Adult tabs are named ‘2009/10 worksheet’ and ‘Additional SSoA data’ tabs. The Other spreadsheet tabs are named ‘Other participation’ and ‘Outcomes and funding’ tabs.

Data is added to the Employer Responsive AP spreadsheets using the ER variation upload tool. If prior to data entry, there is a requirement to set up a new provider or a provider new to the funding stream, the Regional Administrator should be requested to add or update the provider details first.

ER spreadsheets should be completed in line with the guidance in appendix C. Using the AMPS DLF Regional User Guides for additional support:

- The Account Manager:
  - ‘Checks out’ the regional AP spreadsheet from SharePoint, selecting from:
    - Adult Learner Responsive (including high level Learning Support)
    - Employer Responsive (including 16-18 Apprenticeships) using the variation upload tool.
    - Others (including Adult Safeguarded Learning (ASL), ESP and other NFF funding streams e.g. OLASS) This data is required:
      - For loading ESP data into AMPS DLF.
      - For guiding ASL data entry into AMPS (ASL data is not loaded into AMPS ASL).
      - For supporting processing through the template payment process for all other funding streams not already covered in this document e.g. OLASS.
      - For the generation of ‘other’ SSoAs.
  - Uses the Contract/Variation Request and Set up proforma and supporting documentation as the data source. Using the AMPS DLF Regional User Guides for detailed support, conducts the data entry process is as follows:
    - For Employer Responsive, the provider must be present on the AP spreadsheet (i.e. for new providers the Regional Administrator has added the provider details first). The funding stream-specific screen (as detailed in appendix C) is presented for data entry. Enters the appropriate data in the ‘change to’ fields and appropriate profiles (monthly and not year to date cumulatively).
    - For Adult Learner Responsive adds the new funding data to the ‘2009/10 worksheet’ and ‘Additional SSoA data’ tab.
    - Adds the new funding data to the ‘Other participation’ and ‘Outcomes and funding’ tabs of the Other spreadsheet.
  - Where appropriate, performs manual checks. It is important that during the population process manual checks are performed to enable downstream processing, avoiding error correction. The checks should include:
    - That there is budget available to enable all spreadsheet data to be successfully processed in AMPS later in the process, bearing in mind national budgets for ER nationally managed contracts.

This section is continued overleaf.
Process AP spreadsheet data for in year new contract ... cont

- That the quality of data is sufficient to successfully pass subsequent validation in AMPS.
- That new providers have a UKPRN/UPIN number and that PIMS is updated for any new providers or changes to existing providers (including funding flag).
- For ER, that SLN and learner values that have been derived from Maximum Contract Values are sensible and align with the cash.
- That for ER single national contracting, the Local Area Office recorded in PIMS is aligned with the following table:

<table>
<thead>
<tr>
<th>Region</th>
<th>LLSC Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>East of England</td>
<td>EE080</td>
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<tr>
<td>East Midlands</td>
<td>EM040</td>
</tr>
<tr>
<td>Greater London</td>
<td>GL140</td>
</tr>
<tr>
<td>North East</td>
<td>NE180</td>
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<tr>
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<td>West Midlands</td>
<td>WM410</td>
</tr>
<tr>
<td>Yorkshire &amp; Humber</td>
<td>YH450</td>
</tr>
</tbody>
</table>

Notes that after 2009/10, these codes will be revised.

- Notes that the updated and submitted AP spreadsheet will replace the previous submission.
- On completion of data entry, using the AMPS DLF Regional User Guides, saves the spreadsheet,'checking' in to SharePoint. On ‘check-in’, Records any relevant comments that may be of interest to others.
- Notes that for ER single national contracting it is recommended that the changes made are retained in order to maintain an audit trail at detailed level.
- Passes the Contract/Variation Request and Set up proforma to the Account Director for AP spreadsheet approval.
- Alerts the Account Director that AP spreadsheet approval is required.

- The Account Director:
  - Receives the Contract/Variation Request and Set up proforma.
  - ‘Checks out’ the appropriate AP spreadsheet from SharePoint in order to compare this with the existing allocation/maximum contract value in AMPS. For this purpose the existing allocation/maximum contract value in AMPS is assumed to be correct.
  - Navigates to the ‘allocation’ section of AMPS, selecting the appropriate existing allocation/maximum contract value then ‘allocation line’.

This section is continued overleaf.
Process AP spreadsheet data for in year new contract ... cont

- Checks the AP spreadsheet against the AMPS ‘allocation line’, ensuring that the difference(s) match the new funding amount(s) as stated on the Contract/Variation Request and Set up proforma.
- Returns the spreadsheets to SharePoint and ‘checks in’. Informs the Planning and Allocation Manager and arranges for the next upload to AMPS. Notes that uploads to AMPS are required to be conducted by the Planning and Allocation Manager until AMPS release 3 changes are fully implemented (expected end January 2009) at which time an automated upload process will replace the manual approach.
- The results are posted to SharePoint for confirmation of processing or error correction (see section 4.3 below). Successfully processed data is now available in AMPS for allocation/maximum contract value creation (see sections 6 and 7).
- Signs the Contract/Variation Request and Set up proforma as approved.
- Passes the approved Contract/Variation Request and Set up proforma to the Account Manager.
- Alerts the Account Manager to the need for AMPS allocation/maximum contract value creation action (see sections 6 and 7).

4.3 Conduct error correction

- The Account Manager:
  - Checks the DLF ‘results’ SharePoint folder for errors. Notes that the ‘results’ folder contains both successful and failed data results.
  - If any errors require correction, checks the AP spreadsheet out of SharePoint, conducts the appropriate remedial action necessary and check the AP spreadsheet back into SharePoint. Notes that all data must be entered into the source AP spreadsheet (i.e. it is not possible to enter data directly into AMPS for 2009/10) to ensure the consistency of subsequent documentation.
  - Notes that if data consistently fails data load, the SSoA and contract will be delayed.
  - Informs the Allocation and Planning Manager that the corrected AP spreadsheet requires re-processing.

- The Allocation and Planning Manager:
  - Processes the corrected AP spreadsheet into AMPS DLF.
  - Posts the ‘results’ folder to SharePoint.
5. Process AP spreadsheet data for in year variation

<table>
<thead>
<tr>
<th>Office/Dept</th>
<th>National/Divisional</th>
</tr>
</thead>
</table>
| Responsible Officer | | Account Manager, Account Director  
| | Budget Holder  
| | Allocation and Planning Manager |
| Timing | In line with requirement for variation in year |
| Information source | Allocation and Planning Spreadsheets and Contract/Variation Request and Set up proforma (Commissioning and Procurement team site) |
| Guidance | AMPS DLF Regional User Guides and ASL User Guide |
| How | The following text describes the procedure. |

This section applies to the following funding streams where there is a requirement for **in year variation** to an existing contract:

- **Demand Led Funding (DLF)**
  - Employer Responsive (including 16-18 Apprenticeships)
  - Adult Learner Responsive
- **Others** (including Adult Safeguarded Learning (ASL), ESP and other NFF funding streams e.g. OLASS)

Subsequent to the initial load of data into AMPS, in year variation up or down is likely to be required in order to action:

- Quarter end provider performance management requirements and
- Ad-hoc changes related to e.g:
  - Budgetary constraints
  - **Employer Responsive single national contracting:**
    - Demand led by another Division or another provider
    - Maintenance of financial/academic year split
    - Re-profiling of ‘inherited’ providers

### 5.1 For DLF and ASL, prepare for agreed variation

In preparation for an in year ad-hoc variation agreed with the provider:

- **The Account Manager:**
  - Receives an approved Contract/Variation Request and Set up proforma.
  - Passes the proforma to the Account Director, gaining permission to proceed.
  - Where appropriate conducts a risk assessment (see section 1) and completes the proforma with the outcomes.
  - Ensures that for upward variation, the Provider Financial Headroom Check has been conducted during the risk assessment (see section 1) and that the proforma is updated with the outcome.

**This section is continued overleaf.**
Process AP spreadsheet data for in year variation … continued

- Passes the Contract/Variation Request and Set up proforma to the Budget Holder and:
  - For variation upwards, gains signature representing budget availability and impact on targets
  - For downward variation, uses this proforma to inform the Budget Holder of the potential to release budget.

5.2 Consider virement of budget in AMPS

For an existing provider, it may be necessary to vire the budget in AMPS to enable completion of the Allocation and Planning (AP) spreadsheets and subsequent upload of the data into AMPS. The request for virement routes through the Portfolio Managers, through the Operations and Planning Group to the Operations Board for approval. On approval, National Office Finance is notified in order to make the budget change in the budget book.

- National Office Finance:
  - Makes the changes to budgets in the budget book and requests the NO Allocations Team to make the required budget changes to allocation/MCV (up to including March 2010) in AMPS.

- National Office Allocations Team:
  - The Allocations Team makes the required budget changes to allocation/MCV (up to including March 2010) in AMPS (see appendix C for ER supporting detail) and informs National Office Finance on completion.

- National Office Finance:
  - Approves the changes made in AMPS and informs the Account Manager of completion.

5.3 Populate the AP spreadsheets

Subsequent to budgetary approval, it is necessary to complete the Allocation and Planning (AP) spreadsheets with the variation details. Three individual spreadsheets, one for each of the funding streams/groups below, can be found on SharePoint and should be used for this purpose.

The Adult and Other spreadsheets are split into two tabs, each requiring completion. The Adult tabs are named ‘2009/10 worksheet’ and ‘Additional SSoA data’ tabs. The Other spreadsheet tabs are named ‘Other participation’ and ‘Outcomes and funding’ tabs.

The Employer Responsive AP spreadsheet is updated using the ER variation upload tool. If prior to variation data entry, there is a requirement to set up a new provider or a provider new to the funding stream, the Regional Administrator should be requested to add or update the provider details first. Then the Employer Responsive AP spreadsheet is updated using the ER variation upload tool. ER spreadsheets should be completed in line with the guidance in appendix C. Using the AMPS DLF Regional User Guides for additional support:

- The Account Manager:
  - ‘Checks out’ the regional AP spreadsheet from SharePoint, selecting from:
    - Adult Learner Responsive (including high level Learning Support)

This section is continued overleaf.
Process AP spreadsheet data for in year variation … continued

- Employer Responsive (including 16-18 Apprenticeships) using the variation upload tool.
- Others (including Adult Safeguarded Learning (ASL), ESP and other NFF funding streams e.g. OLASS)
- This data is required:
  - For loading ESP data into AMPS DLF.
  - For guiding ASL data entry into AMPS (ASL data is not loaded into AMPS ASL).
  - For supporting processing through the template payment process for all other funding streams not already covered in this document e.g. OLASS.
  - For the generation of ‘other’ SSoAs.

  - For in year ad-hoc variation requirements, uses the Contract/Variation Request and Set up proforma and supporting documentation as the data source. Using the AMPS DLF Regional User Guides for detailed support, conducts the data entry process as follows:
    - For Employer Responsive, the provider must be present on the AP spreadsheet, (i.e. for new providers the Regional Administrator has added the provider details first). The funding stream-specific screen (as detailed in appendix C) is presented for data entry. Enters the appropriate changed data in the ‘change to’ fields and appropriate profiles (monthly and not year to date cumulatively).
    - For Adult Learner Reactive adds the new funding data to the ‘2009/10 worksheet’ and ‘Additional SSoA data’ tab.
    - Adds the new funding data to the ‘Other participation’ and ‘Outcomes and funding’ tabs of the Other spreadsheet.
  
  - Where appropriate, performs manual checks. It is important that during the population process manual checks are performed to enable downstream processing, avoiding time spent on error correction. The checks should include:
    - That for ER single national contracting, the Local Area Office recorded in PIMS is aligned with the following table:

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</tr>
</tbody>
</table>
Process AP spreadsheet data for in year variation ... continued

Notes that after 2009/10, these codes will be revised.

- That there is budget available to enable all spreadsheet data to be successfully processed in AMPS later in the process, bearing in mind national budgets for ER nationally managed contracts.
- That the quality of data is sufficient to successfully pass subsequent validation in AMPS.
- That new providers have a UKPRN/UPIN number and that PIMS is updated for any new providers or changes to existing providers (including funding flag).
- For ER, that SLN and learner values that have been derived from Maximum Contract Values are sensible and align with the cash.

  o Notes that the updated and submitted AP spreadsheet will replace the previous submission.
  o On completion of data update, using the AMPS DLF Regional User Guides, saves the spreadsheet, ‘checking in’ to SharePoint. On ‘check in’, records any relevant comments that may be of interest to others.
  o Notes that for ER single national contracting it is recommended that the changes made are retained in order to maintain an audit trail at detailed level.
  o Passes the Contract/Variation Request and Set up proforma to the Account Director for AP spreadsheet approval.
  o Alerts the Account Director to the need for AP spreadsheet approval.

• The Account Director:
  o Receives the Contract/Variation Request and Set up proforma.
  o ‘Checks out’ the appropriate AP spreadsheet from SharePoint in order to compare this with the existing allocation/maximum contract value in AMPS. For this purpose the existing allocation/maximum contract value in AMPS is assumed to be correct.
  o Navigates to the ‘allocation’ section of AMPS, selecting the appropriate existing allocation/maximum contract value then ‘allocation line’.
  o Checks the AP spreadsheet against the AMPS ‘allocation line’, ensuring that the difference(s) match the new funding amount(s) as stated on the Contract/Variation Request and Set up proforma.
  o Returns the spreadsheets to SharePoint and ‘checks in’. For ad-hoc in year variations, informs the Planning and Allocation Manager and arranges for the next upload to AMPS. Notes that uploads to AMPS are required to be conducted by the Planning and Allocation Manager until AMPS release 3 changes are fully implemented (expected end January 2009) at which time an automated upload process will replace the manual approach.
  o The results are posted to SharePoint for confirmation of processing or error correction (see section 5.4 below). Successfully processed data is now available in AMPS for allocation/maximum contract value creation (see sections 6 and 7).
  o Signs the Contract/Variation Request and Set up proforma as approved.
  o Passes the approved Contract/Variation Request and Set up proforma to the Contract Manager.
  o Alerts the Contract Manager to the need for AMPS allocation/maximum contract value creation action (see sections 6 and 7).

This section is continued overleaf.
Process AP spreadsheet data for in year variation ... continued

5.4 Conduct error correction

- The Account Manager:
  - Checks the DLF ‘results’ SharePoint folder for errors. Notes that the ‘results’ folder contains both successful and failed data results.
  - If any errors require correction, checks the AP spreadsheet out of SharePoint, conducts the appropriate remedial action necessary and checks the AP spreadsheet back into SharePoint. Notes that all data must be entered into the source AP spreadsheet (i.e. it is not possible to enter data directly into AMPS for 2009/10) to ensure the consistency of subsequent documentation.
  - Notes that if data consistently fails data load, the SSoA and contract will be delayed.
  - Informs the Allocation and Planning Manager that the corrected AP spreadsheet requires re-processing.

- The Allocation and Planning Manager:
  - Processes the corrected AP spreadsheet into AMPS DLF.
  - Posts the ‘results’ folder to SharePoint.
6. Create new provider allocation in AMPS, in year

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<td>Timing</td>
<td>Funding stream specific. In year, as required in line with Divisional timetable.</td>
</tr>
<tr>
<td>Information source</td>
<td>Contract/Variation Request and Setup proforma (Commissioning and Procurement team site)</td>
</tr>
<tr>
<td>Guidance</td>
<td>AMPS DLF Regional User Guides and AMPS ASL User Guide Funding guidance</td>
</tr>
<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
</tbody>
</table>

This section covers the creation of a new draft allocation/maximum contract value for DLF Adult Learner Responsive and Employer Responsive plus ASL provision, in year.

For DLF Adult Learner Responsive and Employer Responsive, following the AP spreadsheet data load into AMPS, provider allocation/maximum contract values can be created and managed.

For ASL, in year variation data is entered directly into AMPS.

6.1 For DLF, create a new draft allocation/maximum contract value in year

AMPS DLF will not allow creation of an allocation/maximum contract value unless the AP spreadsheet data upload has taken place and data exists (but is not yet visible) in AMPS. The provider must be valid for the allocation/maximum contract value's funding stream, defined at the Local Area level (i.e. the PIMS funding flag exists). If the provider is delivering training across more than one area, all of the appropriate Local Area Offices should be linked to the provider in PIMS and a lead office identified (this does not apply to Employer Responsive funding stream due to single national contracting). In this case separate allocation/maximum contract values will need to be created at each Local Area Office level.

- To create an allocation/maximum contract value, the Contract Manager:
  - Receives the Contract/Variation Request and Setup proforma.
  - Navigates to the ‘allocation/maximum contract value’ section within AMPS DLF.
  - Since the AP spreadsheets data now exists in AMPS DLF but is not yet visible, checks and changes, as necessary, the type of funding and allocation year concerned then creates a new draft provider allocation/maximum contract value in AMPS DLF.
  - The system conducts validation checks and saves the allocation/maximum contract value with a status of ‘draft’.
  - Accesses the DLF ‘results’ SharePoint folder and notes that this folder contains both successful and failed data load results.
  - If errors require correction, checks the DLF ‘results’ SharePoint folder for errors, noting that this folder contains both successful and failed data results and prompts the Account Manager for remedial action and AP spreadsheet update as necessary.

This section is continued overleaf.
Create new provider allocation in AMPS, in year ... continued

6.2 AMPS DLF creates the allocation/maximum contract value in year

At this stage the AMPS DLF system will treat Adult Learner Responsive differently to Employer Responsive as follows:

- **Adult Learner Responsive**
  - AMPS DLF creates a payment profile for the allocation using a combination of the allocation year, the start and end date of the allocation period and the payment pattern for the allocation’s provider.

- **Employer Responsive (including apprenticeships)**
  - AMPS DLF creates a maximum contract value.

Notes that successfully processed data is now ready for progressing to ‘confirm’ status (see section 8).

6.4 For ASL, create a new allocation in year

In the event of a new ASL allocation being required in year, there is no need to load AP spreadsheet data into AMPS, instead, the allocations are entered directly into AMPS ASL.

AMPS ASL includes provision for allocation of the following funding types:

- Personal and Community Development Learning (PCDL)
- First Steps (included though not technically part of ASL)
- Wider Family Learning (WFL)
- Family Literacy, Language and Numeracy (FLLN)
- Neighbourhood Learning in Deprived Communities (revenue) (NLDC)
- Family Learning Impact Funding

- The Contract Manager:
  - Receives the Contract/Variation Request and Setup proforma.
  - Within AMPS ASL (see AMPS ASL User Guide), navigates through the relevant summary (which shows the providers for that area within the Region screen i.e. Local Authority or FE college etc), to the ‘summary’ screen for the appropriate provider.
  - In order to create an indicative allocation (this is the column description), selects ‘update agreed allocation’ and enters a description. Notes that the values (but no volumes) of the indicative allocation are copied across to the ‘agreed allocation’ column.
  - AMPS ASL validates the data and checks that there is sufficient budget. If necessary, displays an error message to advise remedial action.
  - Changes the status to ‘ready to issue’ i.e. the equivalent of draft status.
  - Funding is automatically re-profiled by AMPS. However, there may be a need to re-profile FLIF after AMPS has allocated on a financial year basis.
  - Notes that successfully processed data is now ready for progressing to ‘confirm’ status (see section 8).

This section is continued overleaf.
Create new provider allocation in AMPS, in year … continued

6.5 Process AP spreadsheet data for NFF funding streams

For other NFF funding streams e.g. OLASS, there is no AMPS system for loading AP spreadsheet data into. Instead, the AP spreadsheet is used to process provider payment by template.
7. Vary provider allocation in AMPS, in year

<table>
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</tr>
<tr>
<td>Timing</td>
<td>Funding stream specific. In year, as required in line with Divisional timetable.</td>
</tr>
<tr>
<td>Information source</td>
<td>Completed Contract/Variation Request and Set up proforma (Commissioning and Procurement team site)</td>
</tr>
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<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
</tbody>
</table>

This section covers in year variation and the subsequent creation of a new draft allocation/maximum contract value for the following funding streams:

- DLF Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

7.1 For DLF, vary an allocation/maximum contract value in year

It is recommended that any variation should be of material value to avoid resource-intensive minor changes.

AMPS DLF will not allow the creation of a varied draft allocation/maximum contract value unless the variation AP spreadsheet data including delivery profiles has been loaded into AMPS (but is not yet visible). A variation can be applied to an existing draft allocation/maximum contract value or an approved allocation/maximum contract value where the status has been changed back to draft.

It is always necessary to ensure that budget is available before conducting the variation.

- To create an allocation/maximum contract value, the Contract Manager:
  - Receives the approved Contract/Variation Request and Set up proforma.
  - Navigates to the ‘allocation’ section within AMPS DLF.
  - Using the proforma, identifies the existing draft allocation/maximum contract value in AMPS DLF, or changes the approved allocation/maximum contract value status back to draft.
  - Since the AP spreadsheet data now exists in AMPS DLF but is not yet visible, adds a draft provider allocation/maximum contract value to the existing allocation/maximum contract value in AMPS DLF.
  - Enters a comment recording the reason for the variation.
  - The system conducts validation checks and saves the allocation/maximum contract value with a status of ‘draft’.

This section is continued overleaf.
Vary provider allocation in AMPS, in year … continued

- Accesses and checks the DLF ‘results’ SharePoint folder.
- If errors require correction, checks the DLF ‘results’ SharePoint folder for errors, noting that this folder contains both successful and failed data results and prompts the Regional Planning and Performance Team for remedial action and AP spreadsheet update as necessary.

7.2 AMPS DLF vary an allocation/maximum contract value in year

At this stage the AMPS DLF system will treat Adult Learner Responsive differently to EmployerResponsive as follows:

- **Adult Learner Responsive**
  - AMPS DLF creates a payment profile for the allocation using a combination of the allocation year, the start and end date of the allocation period and the payment pattern for the allocation’s provider (set up at National Office).

- **Employer Responsive (including apprenticeships)**
  - AMPS DLF creates a maximum contract value.

Notes that successfully processed data is now available within AMPS DLF for processing to ‘confirm’ status.

7.4 For ASL, vary an allocation in year

Variations may be required throughout 2008/09 for any type of ASL provider. In the event of a requirement to change an ASL allocation in year, there is no need to load the AP spreadsheet data into AMPS, instead, changes to allocations are made directly into AMPS ASL.

AMPS ASL includes provision for allocation of the following funding types:

- Personal and Community Development Learning (PCDL)
- First Steps (included though not technically part of ASL)
- Wider Family Learning (WFL)
- Family Literacy, Language and Numeracy (FLLN)
- Neighbourhood Learning in Deprived Communities (revenue) (NLDC)
- Family Learning Impact Funding

- **The Contract Manager:**
  - Receives the completed Contract/Variation Request and Set up proforma, signed by the Budget Holder (since ASL is a ring-fenced budget).
  - Within AMPS ASL (see AMPS ASL User Guide), navigates through the relevant summary screen (which shows the providers for that area within the Region e.g. Local Authority or FE college), to the ‘summary’ screen for the appropriate provider. Where amendment to the allocation requires, sets the status back to ‘draft’.
  - Once the status is set to ‘draft’, in order to update an indicative allocation (this is the column description), selects ‘update agreed allocation’ and enters a description. Notes that the values (but no volumes) of the indicative allocation are copied across to the ‘agreed allocation’ column.

This section is continued overleaf.
Vary provider allocation in AMPS, in year … continued

- In order to create an indicative allocation (this is the column description), selects ‘update agreed allocation’ and enters a description. Notes that the values (but no volumes) of the indicative allocation are copied across to the ‘agreed allocation’ column.

- AMPS ASL validates the data and checks that there is sufficient budget. If necessary, displays an error message to advise remedial action.

- Changes the status to ‘ready to issue’ i.e. the equivalent of draft status.

- Funding is automatically re-profiled by AMPS. However, there may be a need to re-profile FLIF after AMPS has allocated on a financial year basis.

- Successfully processed data is now available within AMPS ASL for processing to ‘confirm’ status.

7.5 Process AP spreadsheet data for NFF funding streams

For other NFF funding streams e.g. OLASS, there is no AMPS system for loading AP spreadsheet data into. Instead, the AP spreadsheet is used to process provider payment by template.
8. Confirm provider allocation

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Responsible Officer</td>
<td>Contract Manager, Contract Team, Account Manager and Finance Team</td>
</tr>
<tr>
<td>Timing</td>
<td>Funding stream specific. In year, as required in line with Divisional timetable.</td>
</tr>
<tr>
<td>Information source</td>
<td>Contract/Variation Request and Setup proforma (Commissioning and Procurement team site) Business Case proforma (see Provider Financial Headroom Check procedure)</td>
</tr>
<tr>
<td>Guidance</td>
<td>AMPS DLF Regional User Guides and AMPS ASL User Guide Single Provider View Tutorial Provider Financial Headroom Check procedure</td>
</tr>
<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
</tbody>
</table>

This section applies to confirmation of initial allocation/maximum contract value, in year new funding or variation, for the following funding streams:

- DLF Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

Once the allocation/maximum contract values have been created or varied they must then be confirmed.

8.1 For DLF, review then confirm allocation/maximum contract value details

Technically Divisional allocation/maximum contract values are not supported by AMPS DLF, however, Divisions may have adopted an approach which uses an Area Office as if it were a Division.

- The Contract Manager:
  - Navigates to the ‘allocation’ section, selecting the appropriate allocation/maximum contract value.
  - Sense checks the allocation/maximum contract value funding lines and totals for the funding streams using the appropriate AP spreadsheet from SharePoint, the Contract/Variation Request and Set up proforma.
  - If the draft allocation/maximum contract value has been created in error, deletes the unapproved allocation/maximum contract value. The system then updates the allocation/maximum contract value status to ‘deleted’.

This section is continued overleaf.
Confirm provider allocation … continued

8.2 For DLF, AMPS performs system validation

- AMPS DLF validates then confirms the allocation/maximum contract value.
  - If there is insufficient budget, in spite of budget checks at 4.1 or 5.2, the system is unable to confirm the allocation/maximum contract value and provides a warning message. It is important to ensure that budget is available for a variation. The Contract Manager may consider the following actions subsequent to discussions with the Account Director, Account Manager and possibly the Budget Holder:
    - Reduce another provider’s allocation/maximum contract value that still needs to be approved. In this case apply the reductions first followed by any increases.
    - Reduce the value of the provider’s new allocation/maximum contract value. Requests variation to the AP spreadsheet followed by upload into AMPS DLF.
    - The budget requires virement. If so, this will need to be agreed with the Budget Holder and National Office.
    - Request additional funding from BIS.
  - For Adult LR funding models, if the system continues to be unable to confirm the allocation and the error message indicates that the required payment pattern is unavailable, views existing payment patterns and liaises with the National Office Programme Planning and Forecasting Team. If a new payment pattern is required, creates a request (see section 8.5 below).

8.4 For ASL, authorise an in-year allocation

Having varied an allocation which is now at ‘ready to issue’ status:

- The Contract Manager:
  - Navigates to the ‘allocation summary’ screen for the provider, selecting the appropriate allocation at status to ‘ready to issue’.
  - Sense checks the screen details using the appropriate allocation spreadsheet from SharePoint, the Contract/Variation Request and Setup proforma.
  - Changes the status from ‘ready to issue’ to ‘issued’ and saves.
  - Progresses the status from ‘issued’ to ‘authorised’ and saves. AMPS ASL checks there is sufficient budget at each of the funding lines.

8.5 For DLF and ASL, request new provider payment pattern

The National payment pattern is likely to be appropriate for the majority of DLF Adult LR providers and ASL providers, however, on an exception basis, if a new provider payment pattern is required, it must be requested formally.

- The Contract Manager:
  - Develops the Business Case request for change using the ‘Add Provider Payment Pattern Proforma’ (to be developed). Ensures that if a Single National Provider, other Contract Managers in each individual Divisional Offices involved agree to any change in the Provider Payment Pattern.
  - Sends the request to the Finance Team for approval in line with the Scheme of Delegation.

This section is continued overleaf.
Confirm provider allocation … continued

- If remedial action is required, receives a warning message on screen and investigates any anomaly.
- Selects ‘confirmed’ allocation/maximum contract value status and saves.

- The Finance Team:
  - Approves the request.
  - Sends the approved request to the National Office Programme Planning and Forecasting Team which on receipt and approval of the request, adds a payment pattern. This cannot be conducted at Divisional level.

8.6 For DLF and ASL, check provider financial headroom
At this stage, it is necessary to recheck that the provider financial limit has not been exceeded since the last check.

- The Contract Manager:
  - Follows the Provider Financial Headroom Check procedure (found on the Commissioning and Procurement team site).
9. Approve provider allocation

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<tr>
<th>Office/Dept</th>
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<tbody>
<tr>
<td>Responsible Officer</td>
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<tr>
<td>Timing</td>
<td>Funding stream specific. In year, as required in line with Divisional timetable.</td>
</tr>
<tr>
<td>Information source</td>
<td>Contract/Variation Request and Setup proforma (Commissioning and Procurement team site)</td>
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<tr>
<td>Guidance</td>
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<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
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</table>

This section applies to approval of initial allocation/maximum contract value, in-year new funding or variation, for the following funding streams:
- DLF Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

Once confirmed the allocation/maximum contract value is then required to be approved for payment by a Contract Approver, in line with segregation of duties. This is an important stage, particularly where large values are being approved by a Contract Approver for the DLF Employer Responsive funding model under single national contracting arrangements. No changes to the allocation/maximum contract value can be made beyond this point.

9.1 For DLF, review then approve allocation/maximum contract value details

- Go to section 8 of this document for the procedure, which is conducted by the Contract Approver, updating the status to 'approved' in place of 'confirmed' and optionally updating the dialogue box.
- When conducting approval of a variation for DLF Adult Learner Responsive funding streams, the warning message ‘Upon approval the latest reconciliation record will be set to ‘draft’ and any future reconciliation payments zeroed’ is received.

9.2 For DLF AMPS DLF performs system validation

- Go to section 8 of this document for validation details and key error conditions.

9.3 For DLF, view provider payment profile

- If required, any AMPS DLF User can view the payment profile for a specific provider.
- Note that allocation/maximum contract values cannot be edited in ‘confirmed’ or ‘approved’ status. If allocation/maximum contract values require update, they must first be returned to ‘draft’ status then repeat the procedure from section 4 or 5.

This section is continued overleaf.
Approve provider allocation ... continued

9.4 For ASL, review then approve an allocation in year

- In line with segregation of duties, and using the ASL User Guide, the Contract Approver:
  - Navigates to the ‘allocation summary’ screen, selects an allocation at ‘authorised’ status, changes the status to ‘approved’ and saves.
  - If appropriate, navigates to the ‘Payments’ tab and checks the payment pattern presented. The AMPS ASL system automatically profiles across the academic year. Checks whether profiled payments match the financial year budgets. If required, make amendments to ensure the match. Where alternative profiles are appropriate payments need to be adjusted accordingly.

For any requirement to cancel or delete an allocation, go to the AMPS ASL User Guide.

9.5 For DLF and ASL, place contract on hold in advance of the contract signature by both parties

For the initial load, since letters of intent are already in place it is not necessary to place the contract on hold in advance of provider signature. However, for new contracts or variations in year, since the AMPS DLF or ASL systems could now make payments to the provider in advance of contract signature by both parties:

- The Contract Manager:
  - For DLF and ASL, places the contract on hold (see section 17) in advance of contract signature and return by the provider. The hold process is an AMPS function at allocation/maximum contract value level, and will hold all DLF or ASL provider payments. It is important to be aware of the timing of this action. This is not a CODA function.
10. Prepare provider contract

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<td>Information source</td>
<td>Contract/Variation Request and Setup proforma (Commissioning and Procurement team site)</td>
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</tr>
<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
</tbody>
</table>

This section applies to preparation of contract documentation supporting in year new funding or variation, for the following funding streams:

- DLF Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

Once the allocation/maximum contract value is approved, the contract documentation can be prepared, checked and sent to the provider. Refer to the Provider Management Framework throughout this section.

10.1 Prepare and log the contract documentation

- The Contract Team liaising with the Account Manager:
  - Double checks that:
    - Details are as supplied on the contract/variation support documentation, including funding limits
    - For providers in scope, a Provider Financial Headroom Check has been conducted successfully. If not, completes a Business Case proforma (see Provider Financial Headroom Check procedure)
    - Tendering/procurement procedures have been followed
    - Health and Safety risks associated with any new sector have been completed
  - Logs the contract on the Divisional Contracts Register, gains the contract number and writes that number on each document.
  - Downloads the standard templates for the Main Terms and Schedules and saves them to the Divisional G: drive.

This section is continued overleaf.
Prepare provider contract … continued

| o Updates provider details on each document and saves the documents back to G: drive, if appropriate, making them available to both Contract and Account Manager. |
| o Discusses any additional contractual requirements for any specific Division and adds to the schedules and/or appendices. |
| o Prints or requests/receives copies of the Main Terms and Schedules. |
| o Where appropriate prepares a covering letter to the provider. For a variation, also prints a Variation of Contract Letter, detailing the allocation/maximum contract value changes. |
| o Views then prints a Funding Agreement from AMPS per allocation/maximum contract value, representing the latest approved allocation/maximum contract value for the provider. |
| o Requests and receives the SSoA from the National Office Planning and Allocation Manager (see appendix B for the SSoA template). Notes that a new SSoA tab is present in AMPS. This will be used for generating a provider SSoA without needing to request one from the National Office Planning and Allocation Manager, however, this must not be used in the short term as it will not generate meaningful SSoAs until appropriate data has been uploaded to AMPS (expected end January 2010). |
| o Sense checks the contract documentation. In particular, for DLF and ASL, checks that the SSoA, AMPS Funding Agreement/Letter of Intent and Contract Schedules are compliant with each other and compare/reconcile with the relevant lines within the SSoA. This is an essential stage to ensure that all data has been processed and all error corrections at any stage have been conducted. |

### 10.2 Re-check contract documentation

- **The Contract Manager:**
  - Re-checks the documentation, taking care to match all document versions prior to sending to the provider.

- **The Contract Team:**
  - Sends 2 copies of the contract documentation to the provider. If required, sends them via the Account Manager and considers including a self-addressed envelope to improve speed and likelihood of return.
11. Sign provider contract

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</tr>
<tr>
<td>Information source</td>
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</tr>
<tr>
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</tr>
</tbody>
</table>

This section applies to signature of initial allocation/maximum contract value, in-year variation or new funding, for the following funding streams:
- DLF Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

On receipt of the contract documentation, the provider will review, possibly query and ultimately return them. No payments should be made to the provider until the contract is signed by both parties. Refer to the Provider Management Framework throughout this section.

11.1 Ensure the correct documentation is received from provider

- The Contract Team:
  Ensures that the Contract documentation is received from the provider then:
  - If appropriate, updates the Divisional contracts register for tracking purposes.
  - Checks for provider signature on both contract copies.
  - Checks that both contract copies are dated and that there are no amendments made.
  - Sends it to the LSC signatory (in line with the Scheme of Delegation).

11.2 Identify if the provider will not sign the contract

If the provider has not signed the contract, under the current business process the allocation/maximum contract value will have been approved in AMPS therefore action must be taken to resolve the issue. The reason why the provider will not sign this will determine the appropriate actions.

- If the provider has made amendments, the Contract Manager:
  - Liaises with the Account Manager, resolving the discrepancy.

This section is continued overleaf.
Sign provider contract … continued

- If the changes are agreed, returns to ‘draft’ contract status (see section 4 and 5) and repeats the procedure from that point.
- If the changes are not agreed, and the contract remains as before, re-prints the contract and repeats the procedure from that point.

### 11.3 Sign contract and distribute

- **The Senior Account Director:**
  - Checks that the contract value is correct, in line with the contract support documentation, that they have authority to sign (for both level and funding stream in line with Scheme of Delegation) and the process so far has been conducted satisfactorily.
  - Signs both copies of the contract then sends both to the Contract Team.

- **The Contract Team:**
  - Releases the ‘held’ contract within AMPS (see section 17).
  - Files one signed copy and retains for audit purposes then distributes the second signed copy to the provider, possibly via the Account Manager.
  - Using the risk assessment (see section 1) and in line with the provider performance monitoring sections 13 to 15, determines the approach to on-going provider performance/contract management.
12. Capture actual delivery

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<td>AMPS system</td>
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</table>
| Guidance | AMPS DLF Regional User Guides and AMPS ASL User Guide
Information Authority website for ILR-related information
Train to Gain Funding Compliance Checklist
Family Learning Guidance
NLDC Guidance
ASL Funding Guidance |

How

The following text describes the procedure.

This section is specific to provider data submission and is included for completeness for DLF and ASL.

DLF providers are required to record and submit their actual delivery against the requirements of their contracts. It is the provider’s responsibility to submit and if required, re-submit accurate and timely data to enable downstream processes.

The generic process is illustrated in the diagram opposite. Learning activity is recorded in the ILR (2). Other actuals e.g. expenses can be recorded in the Training Provider Statement (TPS) (1). Both are included in AMPS DLF.

Data is entered directly via the Online Data Collection (OLDC) system either into POL (1&2) or via the provider’s own system and then submitted to the LSC via a Batch (2) file.

ILR information is validated (3) against a standard set of rules and reports are returned identifying invalid learners.

Actuals are calculated (4) and data summarised (5) before loading into AMPS DLF (6) on a monthly basis.

Providers can request Provider Funding Reports (PFRs) via the Online Data Collections website (7). The reports are created (8) and posted to the OLDC website (9). However, the reports are produced automatically following submission of final period 13 data, for all ER providers. Local, Divisional and National summary level PFRs are produced automatically every month and posted to the Central Services Intranet page. The LSC can only request provider level PFRs if subsequent to provider request, however, these PFRs are automatically posted back to the OLDC website at the end of period 13.

The rest of this section is divided into funding-stream-specific processes.

This section is continued overleaf.
Capture actual delivery … continued

**DLF Adult Learner Responsive**

12.1 Capture DLF Adult Learner Responsive actual delivery

- For Adult Learner Responsive funding stream, ILR data is received from the provider via batch process only. The Online Data Collection system validates that an approved allocation exists for the provider/local office combination for the funding year and any errors are identified by subsequent report.

- This procedure does not detail the steps taken by the provider in the preparation of the actual returns or the submission processes. If this is required, see the guidance above for details. Returns are submitted regularly by providers and checks made against the F0 cut-off dates below when approaching final submission. Providers must take responsibility for checking their data for completeness and accuracy and, if necessary re-submitting after error correction.

- A scheduled job triggers the data extract process on the night of the following F0 cut-off dates for 2009/10 (to be confirmed):
  - F01 – 7th December 2009
  - F02 – 15th February 2010
  - F03 – 17th May 2010
  - F04 – 6th September 2010
  - F05 – 22nd November 2010

12.2 Conduct DLF Adult Learner Responsive reconciliation for grant-funded providers

- Subsequent to actual delivery submission, on the night of the appropriate F0 cut-off date, a scheduled job automatically triggers the summarisation process for grant funded providers (see section 13, for the business process).

This section is continued overleaf.
Capture actual delivery … continued

**DLF Employer Responsive**

12.3 Capture DLF Employer Responsive actual delivery

- Employer Responsive summarised monthly delivery data forms the value of the monthly payment. All payments are made based on actuals only and are not subject to reconciliation.
- Actual earned details can be received from each provider with an approved maximum contract value in one of three ways. Providers can submit their ILR data using a batch process, a Provider Online (PoL) process and/or a Training Provider Statement (TPS) process for non-ILR actuals e.g. expenses.
- On submission of data by the provider the Data Collection system validates that an approved maximum contract value exists for the provider/local office combination for the funding year.
- Having submitted the batch file through OLDC, the validation of ILR returns is an automatic process with any errors identified by subsequent report.
- Feedback from the Data Collection system, for PoL and TPS input, is immediately given to providers, reducing delays in the submission process.
- Providers can submit their data as many times as they wish during the month. This procedure does not detail the steps taken by the provider in the preparation of the actual returns or the submission processes. If this is required, see the guidance above for details. A scheduled extract on the night of the monthly cut-off date will trigger the process.

12.4 Conduct Train to Gain data quality analysis

It is essential to ensure that Train to Gain funding is not being used for ineligible employers, learners and qualifications, and that the full rate is only being claimed where funding rules allow.

- The Account Manager:
  - Using the Train to Gain Funding Compliance Checklist, conducts analysis of provider ILR data submitted in order to identify Train to Gain funding errors.
  - Where errors are found, informs the appropriate provider who must adjust their ILR data to ensure funding associated with such learners is repaid or corrected.
  - Informs PFM of any providers that should be considered for inclusion in an audit programme.

12.5 Request Provider Funding Reports for DLF Employer Responsive delivery

Provider Funding Reports (PFRs) are available to providers, giving a breakdown of how much they are earning for their Employer Responsive delivery. Providers can request PFRs via the OLDC website as many times as required during the period (e.g. for their own financial purposes and for checking data submitted throughout the month). The reports are created and posted to the OLDC website automatically on the actual cut off date of the funding period if they have submitted an actuals return. For Data Protection purposes, reports exclude learner names. These reports can also be accessed by LSC staff subsequent to a provider requesting the report, however, these PFRs are automatically posted back to the OLDC website at the end of period 13.

In addition, Local, Divisional, and National summary PFRs are posted to the Central Services Intranet site for downloading along with additional PFR guidance.

This section is continued overleaf.
Capture actual delivery … continued

- Contract Team/Account Manager:
  - Navigates to the ‘allocation’ section, selecting ‘reports’.
  - Selects from the PFR reports available i.e.
    - Cash Flow Report, providing a view of planned and actual payments made on a monthly basis.
    - Allocations Vs SSoA Comparison Report, enabling the monitoring of the differences between the allocations in AMPS DLF and the values originally imported into the system from the Allocations and Planning Spreadsheets.
    - Financial Summary Report. For each provider, this report shows a summary of their current approved allocations, their status, version number and the total value for the period selected.

12.6 Submit further DLF Employer Responsive data

- Once the monthly census date has passed (see dates in 12.7 below), a collection should not be re-opened for ‘old periods’. Once the deadline for the academic year has passed no further submissions can be made by the provider.

12.7 Submit ASL actual delivery data

All ASL providers are required to record and submit their actual delivery against the requirements of their contracts. It is the provider’s responsibility to submit and if required, re-submit accurate and timely data to enable downstream processes.

- The bulk of learning activity is recorded in the ILR and this is the preferred approach. Data is entered via the provider’s own system and then submitted via a Batch file or PoL. The ILR information is validated against a standard set of rules and reports are returned identifying invalid learners. Providers should be aware of the need to record First Steps activity in the ILR.

- In addition to ILR submission, some learning activity e.g. Neighbourhood Learning in Deprived Communities (NLDC) or Family Learning Impact Funding (FLIF) may be submitted via a paper return to a set template. On receipt the submission is copied and filed and the original sent to National Office for incorporation into a National Report to the relevant Government Department.

- This procedure does not detail the steps taken by the provider in the preparation of the actual returns or the submission processes. If this is required, see the guidance for details. Returns are submitted regularly by providers and checks made against the C0 cut-off dates below when approaching final submission. Providers must take responsibility for checking their data for completeness and accuracy and, if necessary re-submitting after error correction.

- The provider must submit their ILR data in line with C0 cut-off dates. There are 5 returns to be made in 2009/10. The return dates are as follows:
  - C01 – 1st December 2009
  - C02 – 15th February 2010
  - C03 – 17th May 2010
  - C04 – 6th September 2010
  - C05 – 7th February 2011
13. Monitor and manage DLF Adult LR provider performance

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<tr>
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<td>Account Manager and Approver, Senior Account Director</td>
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<td>Guidance</td>
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<td>AMPS DLF Quick Reference Card on Central Services Intranet</td>
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<td>LSC Funding Guidance 2009/10 for funding reconciliation rules</td>
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<td></td>
<td>LSC Funding Guidance 2008/09:ILR Funding Claims and Audit Returns (remains valid for 2009/10 claims)</td>
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<td>Provider Financial Headroom Check procedures</td>
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This section focuses on in year retrospective monitoring and management of Adult Learner Responsive provider performance in the context of the contract for the demand led funding stream and in line with policy guidance.

**Account Managers should review provider performance on an annual basis.**

The approach to monitoring provider performance is dependent on the level of risk associated with the provider contract (see section 1) plus the provider performance as measured by Financial outturn in the first year of the demand led funding model i.e. 2008/09. Having received the majority of year end funding returns for 2008/09, the following key points have been identified:

- The sector as a whole has delivered below the total amount allocated for ALR provision for 2008/09.
- A number of colleges and providers have delivered significantly lower performance at the year end than they estimated in their mid year return. That mid-year return was used both to determine mid-year reconciliation and to inform the 2009/10 allocation.
- Some of these colleges and providers have been given allocations for 2009/10 that are significantly above their final outturn for 2008/09.
- Overall, this means that there is potential for there to be a significant amount of ALR funding which will not be delivered in 2009/10.
- The safeguards put in place to limit the impact of ALR reconciliation in 2008/09 have put an additional constraint on the overall amount of funding available.

The approach to reconciliation has been reviewed in the light of the above factors with the aim of ensuring that as far as possible funding is focussed on those colleges and providers who are meeting their targets. It is not possible to plan precisely for achievement of an overall target therefore the 3% tolerance for under-delivery has been retained. The process diagram overleaf, plus subsequent text details ALR performance management, **beginning in November 2009 with a view to re-basing by February 2010**, in line with this approach.

This section is continued overleaf.
Monitor and manage DLF Adult LR provider performance ... cont

2009/10 DLF Adult LR performance management process

START

Is the difference > 1.5% of 08/09 final return?

YES

(Account Manager) Receives mid year estimated return (15th February 2010)

No further action

NO

(Account Manager) Receives MI report showing analysis of 08/09 final funding returns for colleges and providers compared with their 09/10 allocation

Is 09/10 allocation > 08/09 final return?

YES

Return of allocation agreed?

NO

YES

AMPS DLF mid year reconciliation conducts retrospective clawback of all underperformance. All clawback is automatically recovered by AMPS/CODA

NO

(Account Manager) Receives academic year end estimate return (6th September 2010 then final claim 22nd November 2010)

No further action

NO

(Account Manager) Receives MI report showing analysis of 08/09 final funding returns for colleges and providers compared with their 09/10 allocation

Is the difference > 1.5% of 08/09 final return?

YES

(Account Manager) Receives MI report showing analysis of 08/09 final funding returns for colleges and providers compared with their 09/10 allocation

Is the difference > 1.5% of 08/09 final return?

YES

(Account Manager) Receives MI report showing analysis of 08/09 final funding returns for colleges and providers compared with their 09/10 allocation

Is the difference > 1.5% of 08/09 final return?

NO

NO

This section is continued overleaf.
Monitor and manage DLF Adult LR provider performance ... cont

13.1 Analyse 2008/09 performance
For re-basing examples, see appendix D.

- The Account Manager:
  - Receives a spreadsheet from National Office showing all providers at risk of automatic re-basing in 2010/11 if they again under-deliver in 2009/10. The spreadsheet shows the amount by which the provider’s allocation for 2009/10 exceeds their 2008/09 outturn plus 1.5% (the funding rates increase in 2009/10).
  - Using the spreadsheet, identifies providers who achieved more than 97% of their 2008/09 allocation. For these providers, reviews the allocation in line with account management process.
  - Where providers have not achieved 97% of their 2008/09 allocation, receives an MI report showing the analysis of 2008/09 final funding returns for colleges and providers, compared with their 2009/10 allocation.
  - Identifies where the 2009/10 allocation is greater than the 2008/09 final claim then identifies if the difference is greater than 1.5% of the 2008/09 final claim. Where this is the case, funds should be returned by the provider. It should be noted that there is a significant incentive to make this return, ahead of 10/11.

13.2 Inform the provider

- The Senior Account Director:
  - Prepares a letter (using the national standard template for consistency) to providers in scope that delivered less than their 2008/09 allocation (even if they were within the 3% tolerance). It should go to all providers in this category, unless you believe there is a good reason not to send it, or to send it in amended form, in which case don’t send it and inform Jill Lowery.
  - Sends the letter, in PDF format, on Wednesday 9th December (this allows time to ensure that all letters can go out at the same time), by email – adds name, address and first name.

13.3 Re-negotiate with provider

- Where providers are required to return funds, the Senior Account Director:
  - Using the spreadsheet above, conducts dialogue with the provider, re-negotiating (strongly requesting/recommending) the return of funds by 15th February 2010 in order to bring them within the 97% threshold. Notes that although the deadline for returning figures to National Office is 31st January 2010, you are encouraged to begin discussions with providers as early as possible. There is no strict limit set for re-basing as the allocations vary enormously in size, as do the circumstances for each provider. Some institutions may wish to return funds greater than the 97% threshold in order to secure their 2010/11 baseline. Re-basing should be strongly recommended for all providers with more than £5000 suggested re-basing value, although it is recognised that for providers with larger allocations this would be a relatively minor adjustment and could be deemed to be within a reasonable margin or error.

This section is continued overleaf.
Monitor and manage DLF Adult LR provider performance ... cont

- Agrees with the provider a proposed re-based allocation, or no change if there is good cause to believe the 2009/10 allocation will be delivered in full.

- The Account Manager:
  - Completes the relevant line in the spreadsheets showing the re-based allocation, with any comments and explanation, especially if there is no change.
  - Returns the spreadsheet via divisional Funding and Forecasting Managers to Dawn Baker in National Office by 8th February 2010. Notes that the proposed re-based allocations will be moderated nationally by the Operations Board in early February.
  - Confirms re-based allocations to providers by 15th February 2010.
  - Where providers agree to return the funds, begins the process of varying the allocation downwards by completing a Contract/Variation Request and Setup proforma (found on the Commissioning and Procurement team site). Follows the in year variation process summarised in section 16.
  - Where providers do not agree to return the funds, follows the process at 13.9 below.

13.4. Resolve queries

Queries from Account Management Teams should be dealt with by Senior Account Directors or divisional Funding and Forecasting Managers (where in post) in the first instance.

If Senior Account Directors and divisional Funding and Forecasting Managers are unable to resolve queries, they may seek advice from Keith Standing or Jill Lowery.

13.5 Process provider estimated claim

This item details the business process related to the creation of a provider estimated claim and subsequent reconciliation against allocation for all Adult LR providers. For guidance see the LSC Funding Guidance 2008/09: ILR Funding Claims and Audit Returns which remains valid for 2009/10 claims.

For additional information see the AMPS DLF Adult Learner Responsive Regional User Guide.

Adult Learner Responsive providers are required to submit three completed ‘claims’ or returns for 2009/10, stating their learner numbers and associated funding. The timing of such claims is considered to be quarterly as follows:

- Mid-year estimate (at F02 – 15th February 2010)
- Academic year-end estimate (at F04 – 6th September 2010)

This item focuses on the processing of the two estimated claims. The process for the Final claim (at F05 – 22nd November 2010) will be included in a future iteration of this document.

The claims are used to adjust provider payments for agreed growth or recovery for underperformance. The two estimated claims need only be returned by providers, electronically, and do not require a signature. For completeness, a signed final claim plus possible external audit return must be returned to the appropriate Account Manager.

This section is continued overleaf.
Monitor and manage DLF Adult LR provider performance ... cont

The reconciliation statements should be printed and shared with relevant Account Management teams. The AMPS system reconciliation statements should be shared with providers but only after the necessary checking etc. by the Contract Teams in each individual Divisional Office.

The estimated claim form received from the provider is considered to be the primary data source for this purpose and all screen data should match this form within rounding tolerance. The process for handling the claims received from the provider and subsequent reconciliation against the AMPS DLF allocation is shown below. The latest agreed return should be entered into AMPS DLF as a new claim version and not as an amended previous claim. The latest version of the claim will be presented at all times.

- The Account Manager:
  - Prior to the claim deadline determines which claim returns are missing and reminds the appropriate provider. Notes that a national reconciliation report will also be used by National Office for monitoring purposes.
  - Receives the claim form and LIS report from the provider and checks:
    - Reasonableness against dialogue with the provider, allocations, historical delivery data and previous submissions
    - That the provider has recorded appropriate manual adjustments on the funding claim and
    - That the funding claim matches the LIS report

- Within AMPS DLF, using the provider submitted paper claim form, the Account Manager:
  - Selects the approved provider allocation then navigates through the reconciliations tab to ‘add mid year claim’.
  - From the ‘ILR Funding Claim’ screen, notes that:
    - Where provider ILR F02 or F04 data is available i.e. has been submitted, that data will be presented in the ‘ILR values’ column.
    - Where presented, ILR F02 or F04 data should match the ‘ILR values’ column on the provider claim form. If there are differences or if the F02/F04 data is not presented the ‘ILR values’ column should be brought in line with the provider claim form.
  - Overwrites any appropriate ILR data in the ‘ILR values’ column with values from the provider claim form.
  - Where a manual adjustment is present on the provider claim form, representing provider outturn i.e. expected cash to the end of the financial year, enters the value into the column of that name until the screen and claim form match within rounding tolerance.
  - Selects ‘calculate totals’ in order to validate all data entered and notes new calculated values are presented in the ‘total’ column. If there is an error on the provider claim form i.e. the ‘total’ columns or ‘total funding rows’ do not match the screen, holds dialogue with the provider to resolve.
  - If required, conducts remedial action in line with any error message(s) presented and when all screen details match the provider claim form, saves the claim.

This section is continued overleaf.
Monitor and manage DLF Adult LR provider performance … cont

### 13.6 Conduct reconciliation of estimated claim

- The Account Manager:
  - Notes that AMPS DLF performs a reconciliation of the provider funding claim against the allocation and creates then presents a draft reconciliation record. The results of the reconciliation are presented for review and possible action in line with the 2009/10 business rules below:
    - No retrospective clawback of funds for colleges and providers achieving 97% or more of their planned activity.
    - Full recovery for all underperformance for providers delivering less than 97% of their adult learner responsive funding allocation.
    - The opportunity for colleges and providers achieving below 97% of planned activity to bring themselves within the 97% threshold by agreeing the return of baseline funds in 2009/10, no later than 15th February 2010. (It should be noted, however, that some institutions may wish to return funds greater than 97% in order to secure their 2010/11 baseline.)
    - No unplanned or responsive growth payments for colleges and providers that over deliver in 2009/10. However, if additional budgetary resources become available this will be reviewed at the end of the year. Only providers whose claims and data returns meet the deadlines (in item 13.1 above) will even be eligible for consideration if budgetary resources become available.
  - Where there is a need to make manual funding adjustments in respect of reconciliation, selects ‘update’ and inputs the adjustment. The adjustment must be accompanied by a comment within AMPS DLF explaining why the adjustment has been made. This description is subject to scrutiny by NAO and BIS and must be robust.

### 13.7 Confirm and run reconciliation statement

- The Account Manager:
  - Changes the ‘draft’ status to ‘confirmed’ and saves the record.
  - If the results are not as expected, returns the status to ‘draft’ and conducts remedial action as above.
  - Selects the provider ‘reconciliation statement’ option. This option will run and display the reconciliation statement which should show the same data as that on the ‘funding reconciliation’ screen i.e. the provider’s ILR funding position and any cash adjustments reflecting funds either to be paid (growth) or returned (requiring recovery of funds). Reviews the presented statement values against the reconciliation screen and sense checks the numbers.
  - Shares the statement with the Contract Team and files the hard copy for audit purposes and for future discussion.
  - Checks the provider reconciliation statements with each Contracts Team then shares them with providers.

This section is continued overleaf.
Monitor and manage DLF Adult LR provider performance … cont

13.8 Approve an estimated claim

In line with segregation of duties, the Approver:

- Navigates to the reconciliation screen.
- Checks the paper claim submission with the screen detail. If there is a difference, holds dialogue with appropriate colleagues e.g. the Account Manager and Contract Team for resolution and subsequent remedial action (where appropriate see the AMPS DLF Adult Learner Responsive Regional User Guide for specific details).
- If the results are as expected, changes the status to ‘approved’ and saves the record. Any payments arising from the reconciliation will now be generated.

13.9 Action mid-year estimated claim reconciliation recommendations

- In line with the business rules detailed in section 13.6 above, the Account Manager:
  - Where the mid-year estimated claim shows that the provider has achieved 97% or more of 2009/10 planned activity, conducts no further action.
  - Notes that where the claim shows that the provider has achieved below 97% of 2009/10 planned activity and they have agreed to return funds by 15th February 2010, the reconciliation will clawback underperformance below 97% of 2009/10 planned activity.
  - Notes that where the claim shows that the provider has achieved below 97% of 2009/10 planned activity and they have not agreed to return funds, the reconciliation will clawback all underperformance.
  - Where underperformance is to be clawed back, the amount is automatically recovered by AMPS and CODA.

13.10 Process provider academic year-end estimated claim

The estimated claim processing cycle begins again with the receipt and processing of the academic year-end estimate at F04 – 6th September 2010. Follow the process again from 13.1.
14. Monitor and manage DLF ER provider performance

<table>
<thead>
<tr>
<th>Office/Dept</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Officer</td>
<td>Account Manager</td>
</tr>
<tr>
<td>Timing</td>
<td>Monthly/quarterly/as appropriate in line with periodic data availability, risk and type of provider</td>
</tr>
<tr>
<td>Information source</td>
<td>Multiple data sets as detailed below</td>
</tr>
<tr>
<td>Guidance</td>
<td>AMPS DLF Regional User Guides</td>
</tr>
<tr>
<td></td>
<td>AMPS DLF Quick Reference Card on Central Services Intranet</td>
</tr>
<tr>
<td></td>
<td>Train to Gain Funding Compliance Checklist</td>
</tr>
<tr>
<td></td>
<td>Provider Financial Headroom Check procedures</td>
</tr>
<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
</tbody>
</table>

This section focuses on in year retrospective monitoring and management of Employer Responsive provider performance in the context of the contract for the demand led funding stream and in line with policy guidance.

The process is being co-ordinated in Divisional Teams and the contacts are as follows: Southern Division – Clare Arnold; Northern Division - Jane Lyon (for Train to Gain) and Liz Davis (for Apprenticeships); Central Division – Liam Sammon.

At a minimum, Account Managers should review provider performance with a focus on high risk providers, on a monthly basis with a view to formally reviewing performance quarterly.

14.1 Background to Employer Responsive Q1 performance management

The following sets out the process for undertaking the quarter 1 review, starting in November 2009.

- The purpose of the review will be to ensure that we maximise delivery during the year and manage within our financial and academic year budgets. The outcome of the review will be to agree revised regional/divisional budgets.
- We have aligned the Train to Gain and Apprenticeships processes as far as possible. The broad process stages are similar but the narrative descriptions are set out separately to ensure that the respective processes are clear.
- The review process will be based upon a common set of delivery information within an agreed framework for proposing change. SAMIS will be the key tool for this, bringing together contract delivery profiles (set out in AMPS) and Period 3 ILR information. In support of this, regions have been reviewing and amending provider profiles, and the freeze taken on 13th November will be used. Appendices E and F provide more detailed guidance on using SAMIS.
- Regional budgets have now been recalibrated for both the current financial year and academic year to reflect the move to single contracts. These budgets will be released in the next iteration of the budget book on the 20th November.
- In undertaking this review colleagues should use the existing experience within the LSC, particularly regional colleagues working together. For queries and questions about the process, Account Managers should work upwards through the Account Management and appropriate NAS structures. Keith Smith (NAS) and Sharon Gray (SFA) are the National Office contacts for policy queries.
Monitor and manage DLF ER provider performance ... continued

14.2 Accountability

- For Train to Gain, the overall accountability for the consistent delivery of the review process and responsibility for agreeing the outcomes and reviewing changes to budgets lies with the functional lead for Employer Responsive programmes - Paul Holme - but will be delivered within the three Provider Services Divisions by the Portfolio Leads through their Account Management teams.

- For Apprenticeships, this process will be delivered through the Account Management structure but responsibility for agreeing the outcomes and reviewing changes to regional budgets/delivery priorities lies with the Chief Executive of NAS. The functional lead for the process is Madeleine Durie.

14.3 Management Information to be used

- It is important we have a consistent approach to performance/provider delivery information.

- The basic principle of this review process is a movement towards a single, nationally consistent approach. This means we must gather and interpret a common set of delivery information within an agreed framework for proposing changes to maximum contract values.

- The following sets of information will be used in the review:
  - Contract delivery profiles taken from AMPS and Period 3 information delivered on 16th November 2009 through SAMIS: recent instructions provided to regions and local teams have made clear the importance of ensuring profiles have been agreed with providers and reflect a realistic delivery position. The date we will freeze AMPS to take the profiles for each provider will be 13th November
  - Regions submit both financial year and full academic year 2009/10 forecast templates by 16th November 2009

14.4 Profiles

- Action is already being taken to ensure provider profiles and forecasting work reflects the current management position. We should continue to encourage providers to submit complete and timely ILR returns. Our driving principle for this and future reviews is that we must base decisions on the information we have. Whilst recognising the issues relating to data lag we must ensure the primary decisions and conclusions reached are evidenced on factual delivery information and data.

- We do not believe it is currently possible to base this review on profiled performance alone because we acknowledge there are issues with the robustness of profiles (i.e. the extent to which these have been agreed with providers and/or reflect an accurate picture of delivery performance). In these circumstances Account Managers will need to use their judgment, in discussion with Senior Account Directors, to ensure that we do not penalise providers unduly by applying the review too mechanistically. This should only be in cases where core information is obviously incorrect and Account Managers should still apply a robust approach to managing performance in all circumstances.

14.5 Principles and prioritisation of the review

- All providers need to be reviewed and it is expected that reviews should be prioritised to begin with the largest and highest risk providers first.

- We have agreed the tolerances detailed in appendix G, however this can only be applied where we are sure of the accuracy of profile information. Account Teams will need to provide clear rationales for providers where action will not be taken to adjust MCVs despite exceeding the tolerance set.

- It is expected that contract variations will only be required where under or over performance is greater than a cash value of £10,000 for each funding line at quarter 1 (cumulative to period 3).

14.6 Train to Gain

- Ensure that carry over learners/costs from 2008/09 are affordable within the 2009/10 MCV.

- Review existing starts to period 3 to ensure they are affordable within their current MCV.
Monitor and manage DLF ER provider performance ... continued

- Review future profiled starts to assess whether they are affordable within the remainder of this financial and academic year MCV, taking into account performance at period 3.
- Subject to national affordability, reallocation of additional future starts based on priorities.

14.7 Apprenticeships
- Ensure that carry over learners/costs from 2008/09 are affordable within the 2009/10 MCV. Account Managers should note that any increased carry-over from 16-18 Apprenticeships above the MCV should have been supported (where funding allowed) to ensure no capping of contracts took place at the end of 2008/09.
- Review existing starts to period 3 to ensure they are affordable within their current MCV.
  - For 16-18 Apprenticeships, these starts should be funded. This will be subject to overall national affordability within the August 2009 to March 2010 budget.
  - For 19-24 and 25+, this will be subject to affordability.
- Review future profiled starts to assess whether they are affordable within the remainder of this financial and academic year MCV, taking into account performance at period 3.
- Subject to national affordability, reallocation of future starts based on priorities.
- It is expected that contract variations will only be required where under or over performance is greater than a cash value of £10,000 for each funding line at quarter 1 (cumulative to period 3).

14.8 SAMIS tool detail
- Appendix F provides more detailed guidance on the delivery of the quarter 1 review, including the use of the SAMIS tool.

14.9 Contractual authority for the review
- For 2009/10 contracts, new conditions were inserted into provider contracts that made it clearer to providers how they must manage in year delivery, against agreed profiles and targets. This enables us to review and change maximum contract value levels where delivery profiles are not being met.
- It is important that all contracts covering employer responsive provision have been issued prior to the quarter 1 review. This mitigates the risk that providers do not recognise their new obligations.
- The contract wording is set out below:

  ‘For the avoidance of doubt the overall maximum values for each Learning Programme at Appendix 1 above takes precedence over the delivery profile and volumes in Appendix 2. Where THE CONTRACTOR considers that the combination of funding rates, as published on the Learning Aims Database and volumes would result in the overall maximum value being exceeded, THE CONTRACTOR must notify THE COUNCIL and the Parties will either agree a variation to the volumes, funding rates or to the maximum value for the Learning Programme to ensure THE CONTRACTOR remains within the agreed maximum value.’

  ‘Where THE COUNCIL identifies that the CONTRACTOR is failing to deliver the volumes for any Learning Programme set out in Appendix 1 and Appendix 2 of this Contract it reserves the right in its absolute discretion to reduce the overall maximum value for that Learning Programme.’

  ‘THE COUNCIL will restrict delivery of this Contract against the funding available up to the 31 March 2010 as detailed in Appendix 1. Where the delivery within this financial year fails to meet the minimum levels of performance or where the delivery in this period would result in the overall maximum value being exceeded, THE COUNCIL reserves the right at its absolute discretion to vary the Contract accordingly.’
## 14.10 Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Train to Gain</th>
<th>Apprenticeships</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 November</td>
<td>AMPS frozen to get profiles for each provider</td>
<td></td>
</tr>
<tr>
<td>By 16 November</td>
<td>Regions submit financial year forecast templates</td>
<td></td>
</tr>
<tr>
<td>16 November</td>
<td>SAMIS available and delivers period 3 information</td>
<td></td>
</tr>
<tr>
<td>17/18 November</td>
<td>Business Performance Team and Train to Gain Policy Team produce national performance analysis for Paul Holme</td>
<td>NAS central resources team produce report for each region</td>
</tr>
<tr>
<td></td>
<td>Analysis shared with SFA Divisional Directors</td>
<td>NAS SMT, NAS RDs and SFA Divisional Directors review reports</td>
</tr>
<tr>
<td>21 November to 4 December</td>
<td>TtG focus on period 3 to 8 (financial year) review period 9 to 12 with no increase. Cases for increasing/reducing MCVs reviewed and agreed by SADs.</td>
<td>Cases for under/over performance reviewed by Account Managers in partnership with NAS regional teams, for financial and academic year</td>
</tr>
<tr>
<td>By 9 December</td>
<td>Account Managers input data for the final proposed provider changes, into new ER Variation Upload Tool held on SharePoint by close of play 9 December. All data upload is frozen.</td>
<td></td>
</tr>
<tr>
<td>10 December</td>
<td>Senior Account Directors make recommendations to Portfolio Leads on proposed changes to MCVs (at regional level)</td>
<td>Senior Account Directors review regional position with NAS Regional Directors.</td>
</tr>
<tr>
<td></td>
<td>Portfolio Leads review the position and may direct Account Teams to make further changes to balance budgets at Divisional level.</td>
<td></td>
</tr>
<tr>
<td>11 December</td>
<td>Portfolio Leads advise Paul Holme of the overall position, identifying any surplus or deficit in the divisional Train to Gain budget – national proforma to be used</td>
<td>NAS Regional Directors submit recommendations for action, management position and budget summary to NAS Chief Executive – national proforma to be used</td>
</tr>
<tr>
<td>14-15 December</td>
<td>Aggregate Train to Gain MCV information provided to Paul Holme, setting out proposed changes in regional budgets and proposals for redistribution of any additional starts funding (if available).</td>
<td>NAS Chief Executive reviews overall performance and budget position (attended also by Paul McGuire from the SFA).</td>
</tr>
<tr>
<td>16 December</td>
<td>Paul Holme/Train to Gain Policy and Operations Group recommends overall position</td>
<td>NAS Chief Executive confirms overall position with SFA/YPLA Executive teams.</td>
</tr>
<tr>
<td>18 December</td>
<td>Final sign off TTG</td>
<td></td>
</tr>
<tr>
<td>From 18 December</td>
<td>Account Management Teams inform providers of outcomes of Q1 review and SFA/NES/NAS Directors are advised on updated budget and delivery position.</td>
<td></td>
</tr>
<tr>
<td>21 – 22 December</td>
<td>Spreadsheets revised for period 4 actuals</td>
<td></td>
</tr>
<tr>
<td>22 December</td>
<td>Regional Superuser checks results</td>
<td></td>
</tr>
<tr>
<td>23 December</td>
<td>Revised profiles and MCVs (from new ER Variation Upload Tool) uploaded into AMPS</td>
<td></td>
</tr>
<tr>
<td>By end Jan</td>
<td>Account Managers correct any errors and confirm then approve provider MCVs in AMPS. Formal contract variations produced by Divisional Contract Teams and sent to providers. Contracting teams will need to assess with Regional Apprenticeship Directors the priority of confirming contracting changes that relate to the agreement of new contracts for provision delivered as a result of the introduction GTA/ATAs.</td>
<td></td>
</tr>
</tbody>
</table>
Monitor and manage DLF ER provider performance ... continued

The performance review activities in this diagram should be conducted in line with the tolerances provided in appendix G.

**TIMELINE**

11 DEC 09

Portfolio Directors & Senior Account Directors by 11th November 09 Review indicative regional reports

By 13th November 09, ensures that all delivery profiles have been agreed with providers and reflect a realistic delivery position in AMPS. AMPS is frozen. (Account Manager)

By 17th November 09, SAMIS is delivered, updated with data from AMPS and Q3 ILR. (Business Performance Team)

Portfolio Performance Team & Train to Gain Policy Team On 17th and 18th November 09, conducts national analysis for Paul Holme using the SAMIS tool. Uses this data to develop a national performance summary including expected outcomes and areas of high risk possible issues with the current delivery and profile information in the context of the current budget position.

By 18th November, determines actions to drive up performance and an accurate assessment of the forecast for the current financial year plus cumulative spend position for each region. Records rationale for decision. (NAS Regional Director working with SFA Finance Team)

16th November, confirms overall position with SFA/YPA Executive teams. (Account Manager)

By 9th December, records provider level detail on ER modelling tool, adjusts recalculated MCV. (Account Manager)

By 13th December, submits recommendations to Portfolio Leads, NAS Regional Directors. (Account Manager)

11th December 09 advise Paul Holme of the overall position, including any surplus or deficit in the divisional Train to Gain budget. NAS Regional Directors. (11th December submit recommendations for action, management position and budget to NCS Central Services Team for discussion by the NAS Chief Executive using a national framework.)

15th December, ensures that all budget position for each region. Reviews with SFA Finance Team) By 16th December, determines actions to drive up performance and deliver profiles have been agreed with providers and reflect a realistic delivery position in AMPS. AMPS is frozen. (Account Manager)

14th and 15th December, aggregate Train to Gain MCV data and provide to Paul Holme, settling out proposed changes in regional budgets and proposals for modification of any MCVs marked as Amber should be reviewed but may not require action.

18th December, Final sign-off of Train to gain contracting changes. (Portfolio Leads)

7 DEC 09

Payment run

10 DEC 09

Train to Gain/Apprenticeships National review

Train to Gain/ Apprenticeships Regional Directors review

11 DEC 09

Train to Gain/Apprenticeships Regional Director working with YPA Executive teams

13 NOV 09

Train to Gain/Apprenticeships National review

18 DEC 09

The teams to make further changes to balance budgets at Divisional level. (Portfolio Leads)

11th December 09 makes recommendations to Portfolio Leads/NAS Regional Directors on proposed changes to MCVs at regional level. (Portfolio Leads)

11th December 09 review the position and may direct Account Managers to adjust the future monthly profile for each region. Adjusts the future and profile information in the context of the current budget profile.

Can you adjust expected in P1 future in year Starts and MCV? (Account Manager)

Include any additional £ from above... to keep months’ profile for previous year. (Account Manager)

YES

NO

18th November Review indicative regional reports

January 2010

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Version 1.4 - January 2010

Internal Document

Operational Guidance to support 2009/10 in year management of provision
Monitor and manage DLF ER provider performance ... continued

2009/10 Q1 In year Employer Responsive data entry and contracting changes
(all roles aligned with Scheme of Delegation for delegated authority)

TIMELINE

From performance management

(NO Finance Team) On 21st December makes changes to budget book and authorises NO Allocations Team to change Aug-Mar budgets

(NO Allocation Team) On 22nd December makes changes to budgets in AMPS (No Finance Team) Approve budget changes

From performance management

(Allocation and Planning Manager) On 21st and 22nd December, adjusts the AP spreadsheets, for the ILR data that has been received in period 4

(Regional Superuser) On 22nd December checks the final AP spreadsheets confirming that that all data is final

(Allocation and Planning Manager) On 23rd December, loads the final AP spreadsheet data into AMPS

(Contract Advisor) From 24th December conducts error correction, creates Maximum Contract Value (MCV) and profiles in AMPS. Prioritises then confirms Maximum Contract Value

(Contract Advisor) Depending on the elapsed time since the last check, for providers in scope, using SPV, conducts provider financial headroom check (see Provider Financial Headroom Check procedure for details)

(Contract Advisor) Places MCV on hold whilst gaining provider signature

(Contract Advisor) Gains provider signature and removes from hold

(Provider) submits actual learner data

(Pay provider)

(Contract Manager) Approves MCV and profiles in AMPS

(Account Manager) From 18th December, informs providers of the outcomes of the quarter one review

Pay provider

END JAN 10

From performance management

18 DEC 09

2 JAN 10

(NO Finance Team) On 22nd December makes changes to budget book and authorises NO Allocations Team to change Aug-Mar budgets

(No Finance Team) Approve budget changes

2 JAN 10

8 JAN 10

(Jan payment run)

From performance management

(Allocation and Planning Manager) On 21st and 22nd December, adjusts the AP spreadsheets, for the ILR data that has been received in period 4

From performance management

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(Contract Advisor) Gains provider signature and removes from hold

(Provider) submits actual learner data

(Pay provider)

END JAN 10

From performance management

(NO Finance Team) On 21st December makes changes to budget book and authorises NO Allocations Team to change Aug-Mar budgets

(NO Allocation Team) On 22nd December makes changes to budgets in AMPS (No Finance Team) Approve budget changes

From performance management

(Allocation and Planning Manager) On 21st and 22nd December, adjusts the AP spreadsheets, for the ILR data that has been received in period 4

(Regional Superuser) On 22nd December checks the final AP spreadsheets confirming that that all data is final

(Allocation and Planning Manager) On 23rd December, loads the final AP spreadsheet data into AMPS

(Contract Advisor) From 24th December conducts error correction, creates Maximum Contract Value (MCV) and profiles in AMPS. Prioritises then confirms Maximum Contract Value

(Contract Advisor) Depending on the elapsed time since the last check, for providers in scope, using SPV, conducts provider financial headroom check (see Provider Financial Headroom Check procedure for details)

(Contract Advisor) Places MCV on hold whilst gaining provider signature

(Contract Advisor) Gains provider signature and removes from hold

(Provider) submits actual learner data

(Pay provider)

END JAN 10
Monitor and manage DLF ER provider performance ... continued

14.11 Review and deliver the process for Apprenticeships

Priority outcomes

- For 16-18, we must ensure that specific delivery commitments are met in the first instance, such as covering ‘over contracting’, GTA/ATAs and other identified public sector pressures. There is no regional flexibility on the reallocation of 16-18 budgets. Where providers are underperforming or forecast to under perform allocations need to be reduced accordingly. Through the Q1 review process approximately £20m will need to be recovered nationally in order to cover existing budget pressures.

- For 19+, the outcome of the review will be to ensure that we manage provider delivery through the immediate redistribution of funding to providers that are good performers and have the capacity to deliver. For these budget lines, NAS Regional Directors have the flexibility to reallocate money recovered (where this is less than 10% of the regional budget) from under performing providers to other providers that are able to deliver.

- Regional Apprenticeship Directors will have discretion in the re-distribution of funding from their current 19+ budgets, however any amounts above 10% will be returned to the central pot for redistribution, as agreed by the NAS Chief Executive.

- Subject to affordability, funding returned to NAS centrally will be used to cover the funding priorities outlined above. Once this has been done, any remaining funding will be directed back into the sector to meet current or future delivery priorities.

- NAS regional colleagues will work with Account Managers to identify priorities for funding support based on employer demand.

Delivering the process

- Going forward, NAS teams will not be involved in this level of detailed provider management. As this is a new process, it is important that Account Management Teams are well supported.

- NAS central resources team will extract information from SAMIS to present a holistic Apprenticeship report for use by NAS staff.

- NAS Regional Directors will need to work closely with Account Teams and Divisional Directors (known as Portfolio Leads) to ensure the context and delivery priorities for Apprenticeships are clearly set out. The priority for reviewing Apprenticeship providers will be on those that pose the greatest delivery risk to NAS strategic priorities and those with the highest value MCVs. Providers then assessed in line with the SFA RAG rating process (as detailed in appendix F) should be reviewed in line with this guidance.

- Regions submit both financial and academic year forecast templates by 16th November 2009: NAS Regional Directors should work with SFA finance teams to ensure actions to drive up performance and an accurate assessment of the forecast for the current financial year is reflected in these returns. This will also include the cumulative spend position for each region. These will all then be reviewed within the overall funding available for the financial year budget.

- **Stage 1:** (16th November) SAMIS tool is made available to account managers. NAS Resources team, along with regional planning and MI managers will undertake national analysis on the agreed MI to inform expected outcomes and areas of highest risk and possible issues with the current delivery and profile information. The purpose of this work will be develop a summary of issues and expected outcomes from the review for each region in the context to the current budget position.

- In developing this approach, we have looked carefully at period 2 information. It is clear that current providers’ profiles are not as robust as we would like. We will therefore continue to apply at provider level an expectation of a delivery tolerance but only where there is a clear justification in the strength of MI to do so and where this can be afforded nationally for 16-18 Apprenticeships. The outcome of this regional review work will be shared with NAS SMT and SFA Divisional Directors on the 17th/18th November.
Monitor and manage DLF ER provider performance ... continued

- The remainder of the process (as detailed next) will be for divisional and regional teams to review this overall position at the level of each provider. For further details of the following processes, see section 14.13 below.

- **Stage 2**: (16th to 27th November) Account Managers assess performance using SAMIS, reviewing cases for under/over performance with NAS regional teams. At the same time, NAS national team undertakes further analysis and costings of existing learners and projected costs to the end of the financial year. Costing scenarios of new starts will also be explored.

- **Stage 3**: Account Manager presents proposals for the outcome of the review along with justifications for the course of action. Exemptions will also need to be presented i.e. where the actions set out in appendix F will not be taken for a particular provider, and the justification for this. Records the proposals on the nationally developed spreadsheet, designed to capture all the information required to make variations to contracts.

- Senior Account Directors reviews the regional position with NAS Regional Directors and submit recommendations for action, management position and budget summary for discussion by the NAS Executive. Senior Account Directors must ensure that returns made to Portfolio Directors are an accurate assessment of delivery performance and future delivery forecasts have been tested and checked to reflect a realistic delivery trajectory.

- **Stage 4**: NAS Executive meet to discuss overall performance and budget position for Apprenticeships (attended by Paul Holme and Paul McGuire SFA).

- **Stage 5**: NAS Executive agrees to overall position and advises SFA/NES/NAS Regional Directors on updated budget/delivery position.

- **Stage 6**: Account Manager uploads final proposed MCVs/profiles to SharePoint using the ER regional Allocation and Planning spreadsheet.

- **Stage 7**: Account Manager notifies National Office Finance requesting changes to budgets.

- **Stage 8**: National Office Allocations Team loads budget changes to MCVs into AMPS and National Office Finance approves.

- **Stage 9**: SFA Account Managers agree with Regional NAS teams, the contract amendments for Apprenticeships.

- **Stage 10**: The Account Manager communicates quarter one review outcomes and contract changes, to providers.

### 14.12 Review and deliver the process for Train to Gain

**Review process**

- As a result of this review process, the priority is to ensure that all providers have sufficient MCV to cover the carry over costs of legitimate 2008/9 learner starts. At present, there are a number of providers that do not have an MCV for August-March that fully covers the costs of these existing learners.

- Providers who will exceed their August-March MCV as a result of enrolling new starts in 2009/10 that could not be afforded will not receive additional funds for these starts. This review process must not reward providers who have knowingly taken action that has or will lead to their MCV being exceeded.

- Should any funding remain to create additional headroom for starts, once all carry over issues have been covered, Paul Holme will identify spatially and sectorally where this funding for headroom should be deployed subject to affordability.

- The focus of this Q1 review is to ensure that we manage effectively for the August-March period of this year. There should not be any increases made to the MCV awarded for April-July 2010.
Monitor and manage DLF ER provider performance ... continued

- It is important we have a consistent approach to the review and this document sets out a single, nationally consistent approach. For Train to Gain, the overall accountability for the consistent delivery of the review process lies with the Train to Gain SRO, Paul Holme, but will be delivered within the three Provider Services Divisions by the Portfolio Leads through their account management teams.

Delivering the Process

- Based on SAMIS, Account Teams review period 3 performance, identifying providers where actions are required to either reduce MCVs in line with performance or increase MCVs to cover 2008/9 carry over (see appendix F for more detail). It is noted that existing expertise in TtG performance management may be outside of the new Account Management structure and regions should ensure that expertise within the former LPP and Train to Gain Teams is utilised as part of this process.

  - **Stage 1:** on behalf of Paul Holme, national analysis of Train to Gain performance will highlight any significant issues (at national, divisional and regional level) that need to be addressed through the Q1 review process. This will be made available to divisional Portfolio Leads. Work will also be done to establish priorities for any funding made available for new starts.

  - The remainder of the process (as detailed next) will be for divisional and regional teams to review this overall position at the level of each provider. **For further details of the following processes, see section 14.13 below.**

  - **Stage 2:** based on SAMIS, Account Teams review period 3 performance, identifying providers where actions are required to either reduce MCVs in line with performance or increase MCVs to cover 2008/9 carry over (see appendix F for more detail). Any requirement to increase MCVs must be matched by reductions due to underperformance. It is noted that existing expertise in Train to Gain performance management may be outside of the new Account Management structure and regions should ensure that expertise within the former LPP and Train to Gain Teams is utilised as part of this process.

  - **Stage 3:** Account Managers will present proposals for the outcome of the review along with justifications for the course of action. They also need to present exemptions (i.e. where the actions set out in appendix F will not be taken for a particular provider and the justification for this). These proposals for all providers should be recorded on the nationally developed spreadsheet, designed to capture all the information required to make variations to contracts.

  - **Stage 4:** Based on this information, Senior Account Directors make recommendations to Portfolio Leads on any changes in MCV for their portfolio providers (clearly highlighting the basis for any exceptions). Portfolio Leads will review these recommendations, and where necessary direct Account Teams to make further changes. At this stage, Portfolio Leads will be looking to balance MCVs within their existing divisional budgets e.g. using reclaimed underspend to balance 2008/09 commitments. They will then flag any shortfalls (or surplus funding) to Paul Holme.

  - **Stage 5:** At this stage, aggregate information on Train to Gain MCVs is provided to Paul Holme, who, through the vehicle of the Train to Gain Policy and Operations Group, reviews the proposed changes. At this point, Paul Holme will approve/propose modification to the recommended changes and identify whether there is any funding available to fund additional starts headroom. Spatial and sectoral priorities for the re-allocation of any funding for additional starts will be determined nationally by Paul Holme. The outcome of this review will be communicated through the Account Management structure and any further changes made to provider MCVs.

  - **Stage 6:** Final proposed MCVs are then updated.

  - **Stage 7:** Using these proposed final MCVs, an aggregate report is produced setting out the outcome of the review process, including any changes to budgets (linked to the scheme of delegation in operation). This report will be issued to David Hughes and Paul McGuire for sign-off.
Monitor and manage DLF ER provider performance ... continued

- **Stage 8:** MCVs finalised at the level required for contract changes
- **Stage 9:** Account Manager uploads final proposed MCVs/profiles to SharePoint using the ER regional Allocation and Planning spreadsheet.
- **Stage 10:** Account Manager notifies National Office Finance requesting changes to budgets.
- **Stage 11:** National Office Allocations Team loads budget changes to MCVs into AMPS and National Office Finance approves.
- **Stage 12:** Account Management Teams inform providers of outcomes of Q1 review
- **Stage 13:** Formal contract variations produced by Divisional Contract Teams and sent to providers.

**14.13 Conduct both Apprenticeships and Train to Gain performance Q1 review process**

**14.13.1 Conduct provider performance analysis**

An overview of the analysis process can be found in the business process diagram below. Appendix G shows the ER tolerances to be used during the analysis.

The following text summarises the process and the tools that should be used:

- **Account Manager:**
  - By 4th December conducts analysis of provider performance and modelling of potential adjustments in line with the Apprenticeship and Train to Gain policy and an overview of what Train to Gain and Apprenticeships funding streams are trying to achieve. For quarter one, the Train to Gain and Apprenticeship focus covers periods 1 to 8. Whilst for the Train to Gain review there should be a specific focus on the remaining academic year, periods 9 to 12, the Apprenticeship review should cover both the financial and academic years. For Apprenticeships, cases for under/over performance are reviewed in partnership with NAS regional teams, for financial and academic years.
    - Updating the SAMIS MCV Review report in order to adjust for erroneous ILR data.
    - Initial analysis of SAMIS MCV review report to identify providers for consideration of further action.
    - Further analysis using the following reports:
      - TtG Aims Analysis Tool
      - Apprenticeships Aims Analysis Tool
      - Cash Earned from ILR Aims DLF Tool
      - TPS Payments Data
    - Modelling changed values which will dynamically change MCV recommendations.

  (Guidance for the use of the SAMIS tool can be found in appendices E and F of this document).

**14.13.2 Capture performance review output**

As performance analysis is completed for providers, the outcomes should be recorded. Regions should conduct the processes in this section flexibly, in line with resource available; according to the time available and using the appropriate levels of sign-off.
Monitor and manage DLF ER provider performance ... continued

By close of play on 9th December, the quarter one performance review outputs i.e. final proposed provider changes should be captured in the Employer Responsive AP spreadsheet using the ER variation upload tool. This front-end profiling tool enables update to the AP spreadsheet in a structured and timely manner.

If, prior to variation data entry, there is a requirement to set up a new provider or a provider new to the funding stream, on the AP spreadsheet, the Regional Administrator should be requested to add the provider details first, followed by update using the ER variation upload tool.

ER spreadsheets should be completed in line with the ER variation upload tool guidance in appendix C and the AMPS DLF Regional User Guide.

- The Account Manager:
  - ‘Checks out’ the regional Employer Responsive AP spreadsheet from SharePoint at: [https://teamsites.lsc.gov.uk/sites/data/DLFPA/default.aspx](https://teamsites.lsc.gov.uk/sites/data/DLFPA/default.aspx) using the ER variation upload tool. The funding stream-specific screen (as detailed in appendix C) is presented for data entry.
  - Enters the appropriate changed data in the ‘change to’ fields and appropriate profiles (monthly and not year to date cumulatively).
  - Performs manual checks to enable downstream processing, avoiding time spent on error correction.
  - On completion, using the AMPS DLF Regional User Guide, saves the spreadsheet, ‘checking in’ to SharePoint. On ‘check in’ records any relevant comments that may be of interest to others. It is recommended that the changes made are retained in order to maintain an audit trail at detailed level.
  - The ER variation upload tool adds the data to all other data required to be uploaded to AMPS as part of a centralised National Office upload scheduled for 23rd December.
  - This process **must be completed by 9th December**. No further input/update can be made after this date unless in extreme circumstances. In this case, contact the Allocation and Planning Manager to request re-open.
  - Where a reprofile and/or change to MCV has been processed (by the 9th December), the Account Manager should ensure that the provider is made aware of the proposed change. In most cases it is expected that the provider will have been involved in the reprofiling exercise.

14.13.3 Review Regional and Divisional data

Subsequent to capturing the performance outcomes, the data is reviewed at Regional then Divisional levels. For the review process, SharePoint ‘visitors’ will be able to view the AP spreadsheets.

- On 10th December, using the AP spreadsheet data, Senior Account Directors:
  - Make recommendations to Portfolio Leads on proposed changes to MCVs at regional level.
  - Review the regional position with NAS Regional Directors.

- Portfolio Leads:
  - On 10th December, review the position and may direct Account Teams via the Regional Superuser, to make further changes to balance budgets at Divisional level.
  - On 11th December, summarise the spreadsheet data regionally, divisionally and nationally.
  - On 11th December, advise Paul Holme of the overall Divisional position, identifying any surplus or deficit in the Divisional Train to Gain budget using a national proforma.
Monitor and manage DLF ER provider performance ... continued

- NAS Regional Directors:
  - On 11<sup>th</sup> December, submit recommendations for action, management position and budget summary to NAS central resources team for discussion by the NAS Chief Executive, using a national proforma made available through NAS SMT.

14.13.4 Moderate Train to Gain/Apprenticeships data

Again, for the review and moderation process, SharePoint ‘visitors’ will be able to view the AP spreadsheets.

- Business Performance and Train to Gain Team:
  - On 14<sup>th</sup> and 15<sup>th</sup> December, aggregate Train to Gain MCV data and provide to Paul Holme, setting out proposed changes in Regional budgets and proposals for re-distribution of any additional starts funding (if available).

- NAS Chief Executive:
  - On 14<sup>th</sup> and 15<sup>th</sup> December, reviews overall performance and budget position (attended also by Paul McGuire from SFA).

14.13.5 Moderate overall ER data

- Paul Holme/Train to Gain Policy and Operations Group:
  - On 16<sup>th</sup> December recommend the overall position.

- NAS Chief Executive:
  - On 16<sup>th</sup> December confirms overall position with SFA/YPLA Executive teams.

On 18<sup>th</sup> December, there is final sign-off of Train to Gain position.

14.13.6 Communicate outcomes

On sign-off of the full ER outcomes of the quarter one review, the results are communicated.

- The Account Manager:
  - Receives a summary reports via Divisional Directors.
  - From 18<sup>th</sup> December, informs providers of the outcomes of the quarter one review. Revisions to MCV and/or profile should be confirmed to the provider in writing (suggest brief e-mail). This will ensure that providers are fully aware of any changes to their MCV or profile at an early enough stage to adjust their recruitment where appropriate. (A formal contract variation will sent to the provider once AMPS changes has been confirmed).

14.13.7 Make changes to budgets

Parallel with communicating the outcomes, on 21<sup>st</sup> and 22<sup>nd</sup> December, there is a requirement to make appropriate changes to budgets.

- National Office Finance:
  - Makes the changes to budgets in the January budget book and requests the National Office Allocations Team to make the required budget changes to MCV (up to/including March 2010) in AMPS.
Monitor and manage DLF ER provider performance ... continued

- **National Office Allocations Team:**
  - The Allocations Team makes the required budget changes to MCV (up to/including March 2010) in AMPS (see appendix C for ER supporting detail) and informs National Office Finance on completion.

- **National Office Finance:**
  - Approves the changes made in AMPS and informs the Account Manager of completion.

### 14.13.8 Prepare for data upload

Again, parallel with both communication and budget changes, there is a requirement to prepare the data for upload.

- **The Allocation and Planning Manager:**
  - Since ILR processing will have continued, on 21\(^{st}\) and 22\(^{nd}\) December, adjusts the AP spreadsheets, for the ILR data that has been received in period 4 and informs the Regional Superuser on completion.

- **The Regional Superuser:**
  - On 22\(^{nd}\) December, checks the final AP spreadsheets confirming that that all data is final and informs the Allocation and Planning Manager.

- **The Allocation and Planning Manager:**
  - On 22\(^{nd}\) December, receives confirmation from each Regional Superuser that all spreadsheets are final.
  - On 23\(^{rd}\) December uploads the final AP spreadsheet data into AMPS.
  - Posts the ‘results’ folder to SharePoint.

### 14.13.9 Prioritise contract changes

Once the data has been uploaded into AMPS, contract changes can be prioritised.

- **The Account Manager:**
  - Agrees with Regional NAS teams, the contract amendments for Apprenticeships and informs the Contract Team.

- **The Contract Team:**
  - Agree with Regional Apprenticeship Directors, the priority of contract changes that relate to the agreement of new contracts for provision to be delivered, e.g. as a result of the introduction of Group Training Associations/Apprenticeship Training Agencies (GTA/ATAs).

### 14.13.10 Conduct error correction

Prior to processing the MCVs in AMPS there is a need to correct any errors from the data upload.

- **The Account Manager:**
  - Checks the ‘results’ SharePoint folder for errors. Notes that the ‘results’ folder contains both successful and failed data results.
Monitor and manage DLF ER provider performance ... continued

- If any errors require correction, checks the AP spreadsheet out of SharePoint, conducts the appropriate remedial action necessary using the ER Variation Upload Tool presented and checks the AP spreadsheet back into SharePoint. Notes that all data must be entered into the source AP spreadsheet (i.e. it is not possible to enter data directly into AMPS for 2009/10.
- Notes that if data consistently fails data load, the SSoA and contract will be delayed.
- Informs the Allocation and Planning Manager that the corrected AP spreadsheet requires re-processing.
  - The Allocation and Planning Manager:
    - Processes the corrected AP spreadsheet into AMPS DLF.
    - Posts the ‘results’ folder to SharePoint.

14.13.11 Creates an MCV in AMPS
AMPS DLF will not allow creation of a maximum contract value unless the AP spreadsheet data upload has taken place and data exists (but is not yet visible) in AMPS. The provider must be valid for the maximum contract value’s funding stream, defined at the Local Area level (i.e. the PIMS funding flag exists).
  - The Contract Team:
    - Navigates to the ‘allocation/maximum contract value’ section within AMPS DLF.
    - Since the AP spreadsheets data now exists in AMPS DLF but is not yet visible, checks and changes, as necessary, the type of funding and allocation year concerned then creates a new draft provider maximum contract value in AMPS DLF.
    - The system conducts validation checks and saves the maximum contract value with a status of ‘draft’.
    - Accesses the DLF ‘results’ SharePoint folder and notes that this folder contains both successful and failed data load results.
    - If errors require correction, checks the DLF ‘results’ SharePoint folder for errors, noting that this folder contains both successful and failed data results and prompts the Account Manager for remedial action and AP spreadsheet update as necessary.
    - Notes that successfully processed data is now ready for progressing to ‘confirm’ status.

14.13.12 Confirm the MCV in AMPS
Once the MCV has been created, it can be confirmed in AMPS.
  - The Contract Manager:
    - Navigates to the ‘allocation’ section, selecting the appropriate maximum contract value.
    - Sense checks the maximum contract value funding lines and totals for the funding streams using the appropriate AP spreadsheet from SharePoint.
    - If the draft maximum contract value has been created in error, deletes the unapproved maximum contract value. The system then updates the maximum contract value status to ‘deleted’.
    - AMPS DLF validates then confirms the maximum contract value.
    - If there is insufficient budget the system is unable to confirm the maximum contract value and provides a warning message, therefore, changes to AMPS must be made in a structured manner (i.e. all downward MCVs first, then increases to MCVs).
Monitor and manage DLF ER provider performance ... continued

14.13.13 Check provider financial headroom
At this stage, it is necessary to recheck that the provider financial limit has not been exceeded since the last check.

- The Contract Manager:
  - Follows the Provider Financial Headroom Check procedure (found on the Commissioning and Procurement team site).

14.13.14 Approve the MCV in AMPS
Once confirmed the maximum contract value is then required to be approved for payment by a Contract Approver, in line with segregation of duties. No changes to the maximum contract value can be made beyond this point.

- The Contract Team (Approver):
  - Navigates to the ‘allocation’ section, selecting the appropriate maximum contract value.
  - Updates the dialogue box.
  - AMPS DLF validates then approves the maximum contract value.
  - Since AMPS could now make payments to the provider in advance of contract signature by both parties, places the contract on hold (see section 17) in advance of contract signature and return by the provider. The hold process is an AMPS function at maximum contract value level, and will hold all DLF or ASL provider payments. It is important to be aware of the timing of this action. This is not a CODA function.

14.13.15 Create contract documentation
- The Contract Team liaising with the Account Manager:
  - Double checks that:
    - Details are as expected, in line with the supporting AP spreadsheets.
    - For providers in scope, a Provider Financial Headroom Check has been conducted successfully. If not, completes a Business Case proforma (see Provider Financial Headroom Check procedure)
    - Tendering/procurement procedures have been followed
    - Health and Safety risks associated with any new sector have been completed
  - Logs the contract on the Divisional Contracts Register, gains the contract number and writes that number on each document.
  - Downloads the standard templates for the Main Terms and Schedules and saves them to the Divisional G: drive.
  - Updates provider details on each document and saves the documents back to G: drive, if appropriate, making them available to both Contract and Account Manager.
  - Discusses any additional contractual requirements for any specific Division and adds to the schedules and/or appendices.
Monitor and manage DLF ER provider performance ... continued

- Prints or requests/receives copies of the Main Terms and Schedules.
- Where appropriate prepares a covering letter to the provider. For a variation, also prints a Variation of Contract Letter, detailing the MCV changes.
- Views then prints a Funding Agreement from AMPS per MCV, representing the latest approved maximum contract value for the provider.
- Requests and receives the SSoA from the National Office Planning and Allocation Manager (see appendix B for the SSoA template). Notes that a new SSoA tab is present in AMPS. This will be used for generating a provider SSoA without needing to request one from the National Office Planning and Allocation Manager, however, this must not be used in the short term as it will not generate meaningful SSoAs until appropriate data has been uploaded to AMPS (expected end January 2010).
- Sense checks the contract documentation. In particular, checks that the SSoA, AMPS Funding Agreement/Letter of Intent and Contract Schedules are compliant with each other and compare/reconcile with the relevant lines within the SSoA. This is an essential stage to ensure that all data has been processed and all error corrections at any stage have been conducted.

14.13.16 Re-check contract documentation

- The Contract Manager:
  - Re-checks the documentation, taking care to match all document versions prior to sending to the provider.
- The Contract Team:
  - Sends 2 copies of the contract documentation to the provider. If required, sends them via the Account Manager.

14.13.17 Ensure the correct documentation is received from provider

- The Contract Team:
  - Ensures that the Contract documentation is received from the provider then:
    - If appropriate, updates the Divisional contracts register for tracking purposes.
    - Checks for provider signature on both contract copies.
    - Checks that both contract copies are dated and that there are no amendments made.
    - Sends it to the Skills Funding Agency signatory (in line with the Scheme of Delegation).

14.13.18 Identify if the provider will not sign the contract

If the provider has not signed the contract, under the current business process the MCV will have been approved in AMPS therefore action must be taken to resolve the issue. The reason why the provider will not sign this will determine the appropriate actions.

- If the provider has made amendments, the Contract Manager:
  - Liaises with the Account Manager, resolving the discrepancy.
Monitor and manage DLF ER provider performance ... continued

- If the changes are agreed, returns to ‘draft’ contract status and repeats the procedure from that point.
- If the changes are not agreed, and the contract remains as before, re-prints the contract and repeats the procedure from that point.

14.13.19 Sign contract and distribute

- The Senior Account Director:
  - Checks that the contract value is correct, in line with the contract support documentation, that they have authority to sign (for both level and funding stream in line with Scheme of Delegation) and the process so far has been conducted satisfactorily.
  - Signs both copies of the contract then sends both to the Contract Team.

- The Contract Team:
  - Releases the ‘held’ contract within AMPS (see section 17).
  - Files one signed copy and retains for audit purposes then distributes the second signed copy to the provider, possibly via the Account Manager.
15. Monitor and manage ASL provider performance

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<th>Division</th>
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<td>Account Manager, Contract Team and Finance Team</td>
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<tr>
<td>Timing</td>
<td>Monthly/quarterly/as appropriate in line with periodic data availability, risk and type of provider</td>
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<tr>
<td>Information source</td>
<td>Multiple data sets as detailed below</td>
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<tr>
<td>Guidance</td>
<td>AMPS ASL User Guide</td>
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<td>Provider Financial Headroom Check procedures</td>
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<td>Framework for Excellence documents and guidance</td>
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<td>Identifying and Managing Underperformance Operations Guide</td>
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How

The following text describes the procedure.

This section focuses on in year retrospective monitoring of provider performance for the ASL funding stream (in line with good practice guidance ‘Learning and Skills Policy Summaries for 2008/9’). The section identifies current ways of working; however, the way in which ASL is planned and funded will change over the next two years. All accountable bodies (i.e. those bodies that will be responsible for planning this type of provision) will be asked to take on more responsibilities during this period.

The approach to monitoring provider performance is dependent on the level of risk associated with the provider contract (see section 1). Refer to the Provider Management Framework throughout this section.

15.1 Develop provider management approach for ASL

Provider visits should be arranged for the purpose of prioritising provider management using the risk assessment prepared in section 1 of this document.

- The Account Manager:
  - Makes arrangements for provider visits.
  - Where appropriate, using the risk assessment prepared in section 1 of this document, derives an approach to the management of provider performance.

15.2 Capture and initially analyse ASL provider performance data

Where appropriate, the following example tools are available for initial provider performance monitoring, in advance of the planned meeting with the provider. It is important to focus on learner number targets when monitoring ASL provider performance.

This section is continued overleaf.
Monitor and manage ASL provider performance ... continued

- The Account Manager:
  - Gathers previous year’s targets, contract Terms and Conditions and SSoA.
  - Retrieves AMPS allocations data via screen or report.
  - From the Provider Gateway, retrieves provider Self Assessment Review (SAR), Quality Improvement Plan and Provider Development Plan.
  - Receives a ‘Use of Funds’ statement from the provider.
  - For ASL FE college providers, if appropriate, requests to share their management information.
  - Where available/appropriate, gathers ILR analysis data, e.g. starts, leavers, achievement and progression data.
    - Gathers detailed exception reports from the Data Collection system.
    - If appropriate, requests CODA report(s) from Finance for payment status and possible debt recovery.
    - Where appropriate, gathers available LSC benchmarking data for comparative purposes.
  - Using all the above and any additional ‘corporate intelligence’:
    - Identifies and explores any data discrepancies/anomalies.
    - Conducts initial analysis, especially where funding stream-specific knowledge will advise e.g. a Contract Team member with specific ASL knowledge.
    - Highlights any specific issues, variances or exceptions, particularly anticipating reconciliation, including how many times the contract has been varied.
    - Where appropriate, holds related dialogue with other appropriate colleagues.
    - Makes any recommendations for discussion with the provider plus possible subsequent action and records this.
  - If required, exports reports to Excel for further analysis.

15.3 Conduct desktop review of provider ASL performance

- The Account Manager:
  - Using all information received, conducts a desktop review of provider performance, recording the results. Where providers are in scope and in line with the provider management approach, risks should be re-assessed in year (see section 1). Topics for discussion could include:
    - Quantitative performance status, for example:
      - Review of quantitative data against targets
      - Review of quality of data submission

This section is continued overleaf.
Monitor and manage ASL provider performance … continued

- Qualitative information, for example:
  - Cross-cutting themes e.g:
    - Equality and Diversity Impact Measures
    - Sustainable development
  - Health and Safety
  - Equality and Diversity Impact Measures (EDIMS)
  - Learner Support
  - PFM/audit recommendations
  - Case studies
  - Strategic linkages
  - Meeting identified local learner needs
  - Meeting Account Manager activity e.g. links with the third sector
  - Examples of learner progression
- Any recommendations brought forward

15.4 Communicate all information
- The Account Manager:
  - If not already captured, makes any recommendations for discussion with the provider plus possible subsequent action and records this.
  - Notes that all the information will require to be held for future PFA visits.
  - Passes all appropriate information to any other appropriate colleagues.

15.5 For variation upwards, check provider financial headroom
Prior to meeting with the provider, in order to gain early guidance regarding the possibility of varying a contract upwards, it may be appropriate to conduct a Provider Financial Headroom Check, based on estimated variation volume/amount. In addition it may be appropriate to talk to PFM.
- The Contract Manager:
  - Follows the Provider Financial Headroom Check procedures using the National Contracts Register/Single Provider View application.
Monitor and manage ASL provider performance … continued

15.6 Hold meeting with the provider

- The Account Manager:
  - Where appropriate, refers to the recommendations for discussion.
  - Where appropriate, refers to the ‘Identifying and Managing Underperformance Operations Guide’
  - Using all the above information prepared, holds dialogue with the provider and if required, with internal line management, covering strategic and operational issues, where appropriate and:
    - Determines actions to be taken taking care to recognise any warning signs of potential issues.
    - Where appropriate, records details related to any issues/recommendations out of discussion.

15.7 Distribute results and conduct action

It is important for all actions identified to be conducted. It is also important to be aware of any legal implications related to potential actions.

- The Account Manager:
  - Where appropriate, alerts the Budget Holder if there is any impact on budget from conducting the action
  - Notes that it is possible to vire into ASL but not out of ASL.
  - Alerts the Contract Team regarding any actions that require processing by that team.
  - Follows up to ensure that all actions are conducted.
  - Informs any other appropriate colleagues/stakeholders.
  - Ensures that all documentation is retained for audit purposes.

- The Contract Team/Account Manager (as appropriate):
  - Conducts any actions required.

15.8 Conduct ASL end of year provider reconciliation

- For Local Authorities, the Finance team:
  - Reviews the provider completed and submitted Use of Funds statement against their overall allocation and if there is an amount owed, informs the Account Manager.

- The Account Manager:
  - Liaises with the provider regarding the recovery of funding (previously clawback), having their current allocation reduced or agreeing to carry forward to next year.
16. Conduct delivery re-profiling/variation action

<table>
<thead>
<tr>
<th>Office/Dept</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Officer</td>
<td>Multiple roles</td>
</tr>
<tr>
<td>Timing</td>
<td>In accordance with visit plan (quarterly or monthly as appropriate)</td>
</tr>
<tr>
<td>Information source</td>
<td>Documented recommendations</td>
</tr>
</tbody>
</table>
| Guidance | AMPS DLF Regional User Guides  
Provider Management Framework |
| How | The following text describes the procedure. |

This section applies to the following funding streams:
- DLF Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

Refer to the Provider Management Framework throughout this section.

16.1 Action DLF and ASL in year ad-hoc variation requirements

- The Contract Team/Account Manager (as appropriate):
  - Using any documented recommendations, where appropriate applies re-profiling/variation.
    - Begins the process by completing a Contract/Variation Request and Setup proforma including SSoA details.
    - If varying upwards, seeks early guidance from the Budget Holder on the feasibility of budget availability.
    - Passes the proforma to the Account Director and gains approval to continue (see section 5 for the subsequent detailed processes).

16.2 Summary of delivery re-profiling/variation process

The following is a high level illustration of the DLF and ASL in year ad-hoc delivery re-profiling/variation process. This process differs from the specific funding stream, performance-related variation processes which can be found in sections 13, 14 and 15.

This section is continued overleaf.
Conduct delivery re-profiling/variation action ... continued
Conduct delivery re-profiling/variation action … continued

2009/10 In year contracting changes
(all roles aligned with Scheme of Delegation for delegated authority)

From re-profiling/variation preparation

(Account Manager) (section 5) Checks out Allocation and Planning (AP) spreadsheet from SharePoint, Enters variation data and checks AP spreadsheet back into SharePoint. Alerts Account Director that approval is required

(Account Director) (section 5) Checks out AP spreadsheet from SharePoint, approves and checks back into SharePoint. Conducts data uploads to AMPS

(Contract Adviser) (sections 6 to 8) Creates and confirms allocation/Maximum Contract Value (MCV) and profiles in AMPS

(Contract Adviser) (section 8) Depending on the elapsed time since the last check, for providers in scope using SPP, conducts provider financial headroom check (see Provider Financial Headroom Check procedure for details)

(Contract Manager) (section 9) Approves allocation/ MCV and profiles in AMPS

(Contract Adviser) (section 9) Places allocation/ MCV on hold whilst gaining provider signature

(Contract Adviser) (section 11) Gains provider signature and removes allocation/ MCV from hold

(Provider) (section 12) submits actual learner data

(Contract Adviser) (section 10) Generates contract documentation including SS60A and sends to provider

DLF Adult LR ASL

(Section 19) Pay provider
17. Hold provider payment

<table>
<thead>
<tr>
<th>Office/Dept</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Officer</td>
<td>Contract Manager and Account Manager</td>
</tr>
<tr>
<td>Timing</td>
<td>As required</td>
</tr>
<tr>
<td>Information source</td>
<td>Request to hold</td>
</tr>
<tr>
<td>Guidance</td>
<td>AMPS DLF Regional User Guides and AMPS ASL User Guide</td>
</tr>
<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
</tbody>
</table>

This section applies to the following funding streams:
- Demand Led Funding Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

The ‘hold’ feature should **not** be used for day to day contract management purposes, but may be used for a limited time if awaiting the return of signed contract paperwork. Other routine reasons for holding allocation/maximum contract value payments could include:
- Financial issues with the provider
- PFA/audit issues
- Liquidation (see termination, section 20)
- Where there are other operational issues related to performance as identified in the Funding Agreement

Holding allocation/maximum contract value payments is a one stage process whereas releasing an allocation/maximum contract value payment is a two stage process (request and approval).

17.1 Hold allocation/maximum contract value payment in AMPS DLF

- The Contract Manager:
  - As appropriate, receives any documentation requesting allocation/maximum contract value payment hold and determines hold action.
  - In line with contractual requirement, informs the Account Manager of the intention to hold the allocation/maximum contract value payment, with a view to informing the provider.

This section is continued overleaf.
Hold provider payment ... continued

- Informs the Contract Teams in each individual Divisional Office affected by ER Single national contracting arrangements, for information.
- Navigates to the provider whose allocation/maximum contract value status is to be set to ‘hold’.
- From the provider’s Allocation Audit page in AMPS DLF, selects to hold the payments for a provider’s allocation/maximum contract value.
- Retains any supporting documentation as auditable evidence.
- Informs all appropriate parties for further action.
- In the event of reconciliation resulting in recovery of funds which would affect other Divisions, liaises with the Contract Teams in each individual Divisional Office affected and requests them to place their allocation/maximum contract values on hold. Alternatively, see provider-wide hold in section 17.

17.2 Business Rules regarding DLF allocation/maximum contract value payments on hold

- It is possible to hold payments where the allocation/maximum contract value is at status:
  - Approved
  - Ready to terminate
  - Ready to release
  - Draft
  - Confirmed

- If a provider is put on hold in AMPS DLF (this is best practice), this is an AMPS DLF hold only and an allocation/maximum contract value-specific issue resulting in non-payment i.e. not a hold in CODA/PTS. If the opportunity to hold in AMPS DLF is missed, in exceptional circumstances the contract may be held in PTS or contract-specific payments may be held in CODA two working days following the census date. In either of these circumstances, contacts the Finance Team for action.

- Alternatively, a provider-wide hold can be actioned in CODA.

17.3 Hold allocation/maximum contract value payment in AMPS ASL

- The Contract Manager:
  - As appropriate, receives any documentation requesting allocation payment hold and determines hold action.
  - In line with contractual requirement, informs the Account Manager of the intention to hold the allocation payment, with a view to informing the provider.
  - Navigates to the provider whose allocation status is to be set to ‘hold’.

This section is continued overleaf.
Hold provider payment … continued

- From the provider’s Allocation Detail screen in AMPS ASL, selects to hold the payments for a provider’s allocation and saves.
- Retains any supporting documentation as auditable evidence.
- Informs all appropriate parties for further action.

17.4 Provider level hold

This item has been included for information and completeness only.

If there is a provider-specific issue, a wider solution for holding payment within PIMS or CODA may be adopted. Discuss this with the Account Manager in with lead relationship for that provider. The relevant CODA and PIMS accounts will not be automatically placed on hold. It may be necessary to make the relevant PIMS account inactive and/or to inform the National Office Standing Data Team to place the relevant CODA account code on hold manually. See System Status Bulletins on the Central Services Intranet for PIMS-related points that may inform this decision.

17.5 Inform the provider

Whenever a payment has been held, the provider must be informed.

- The Contract Manager:
  - Informs the Account Manager that a provider payment has been held, with reasons.

- The Account Manager:
  - Informs the provider that payment has been withheld.
18. Release provider payment

<table>
<thead>
<tr>
<th>Office/Dept</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Officer</td>
<td>Contract Manager, Contract Approver, Approval Manager</td>
</tr>
<tr>
<td>Timing</td>
<td>As required</td>
</tr>
<tr>
<td>Information source</td>
<td>Request for release</td>
</tr>
<tr>
<td>Guidance</td>
<td>AMPS DLF Regional User Guides and AMPS ASL User Guide</td>
</tr>
<tr>
<td>How</td>
<td>The following text describes the procedure.</td>
</tr>
</tbody>
</table>

This section applies to the following funding streams:
- Demand Led Funding Adult Learner Responsive and Employer Responsive
- Adult Safeguarded Learning (ASL)

18.1 Receive reasons for a payment to be released

- The Contract Manager:
  - Receives a request to release a held payment from the originator of the hold in the following categories:
    - Account Manager – Receive authorisation
    - Financial – Receive response/authorisation from the Finance Team
    - PFA/audit - Receive response/authorisation from the PFA/audit Team
    - Performance issues – Receive monthly performance reports that reflect a satisfactory state (see sections 13 to 15)
    - Where there are other operational issues related to performance as identified in the Funding Agreement
  - If specific support documentation is appropriate, holds them as evidence.

18.2 Release payment in AMPS DLF

In line with segregation of duties, releasing an allocation/maximum contract value is a two stage process (request by the Contract Manager then approval by the Contract Approver).

- The Contract Manager:
  - Using the responses above makes the decision to request release based on resolution of issue(s).
  - Navigates to the provider whose allocation/maximum contract value status has been set to ‘hold’.
  - From the provider’s Allocation Audit page in AMPS DLF, requests to release the payments for a provider’s allocation/maximum contract value.

This section is continued overleaf.
Release provider payment … continued

- The allocation/maximum contract value is now at ‘Ready to Release’ status and is ready for the Contract Approver to confirm that it can be released.
- It is essential that the reason for releasing payment is recorded and retained as this justifies the business case to release payments and maintains the audit trail.

18.3 Release payment in AMPS ASL

In line with segregation of duties, releasing an allocation is a two stage process (request by the Contract Manager then approval by the Approval Manager).

- The Contract Manager:
  - Using the responses above makes the decision to request release based on resolution of issue(s).
  - Navigates to the provider whose allocation status has been set to ‘hold’.
  - From the provider’s Allocation Detail screen in AMPS ASL, requests to release the payments for a provider’s allocation and saves.
  - The allocation is now at ‘released’ status and is ready for the Contract Approver to confirm that the release can be approved.
  - It is essential that the reason for releasing payment is recorded and retained as this justifies the business case to release payments and maintains the audit trail.

18.4 Review the request for approval

- The Contract Approver:
  - Reviews the documentation where reasons for release have been recorded including any documents stored as audit evidence.
  - Ensures that the issue has been dealt with and informs the Account Manager to, in turn, informs the provider that the held payment has been released. If appropriate, makes the provider aware of any cumulative payments.

18.5 Approve payment release in AMPS DLF

- The Contract Approver:
  - Navigates to the provider whose allocation/maximum contract value status has been set to ‘Ready to Release’ status.
  - From the provider’s Allocation Audit page in AMPS DLF, requests to release the payments for a provider’s allocation/maximum contract value.
  - The allocation/maximum contract value is now eligible for inclusion in the payments process.

This section is continued overleaf.
Release provider payment ... continued

18.6 Approve payment release in AMPS ASL

- The Contract Approver:
  - Navigates to the provider whose allocation status has been set to ‘approved’ status.
  - From the provider’s Allocation Detail screen in AMPS ASL, approves the release of payments for a provider’s allocation.
  - The allocation is now eligible for inclusion in the payments process.
19. Pay provider

<table>
<thead>
<tr>
<th>Office/Dept</th>
<th>National/Divisional</th>
</tr>
</thead>
</table>
| Responsible Officer  | Finance Team, Contract Team  
|                      | National Office Programme Accounting Team and National Office Treasury Team |
| Timing               | As required         |
| Information source   | AMPS systems        |
| Guidance             | AMPS DLF Regional User Guides and AMPS ASL User Guide  
|                      | Provider guidance at www.lsc.gov.uk/providers |
| How                  | The following text describes the procedure. |

Providers are paid on either a monthly payment pattern (for DLF Adult Learner Responsive and ASL) or on actual (for Employer Responsive including apprenticeships).

19.1 Generate payment details for DLF and ASL ‘pay on payment pattern’

- For contracts that ‘pay on payment pattern’, approved providers will automatically be paid in accordance with a planned payment profile based on the payment pattern assigned to them. Even if the provider has not returned any actuals they will still receive a profile payment.
- If the allocation amount changes i.e. re-profiled mid-year, the system will calculate the difference between the new allocation and the amount paid to date. The remaining amount will be paid over the remaining time.
- Payments for the DLF Adult LR funding models are made monthly.
- Generating payment details for ‘pay on payment pattern’ is an automated process for DLF Adult Learner Responsive as follows:
  - The system will identify the allocation year, the current payment period (the next payment period due for payment), the current version of the allocation and the payments associated.
  - Where appropriate, payments will include the profile amount plus any balancing payment. Balancing payments will be created where payments have been held or are not yet approved and a census date passes. When payments are subsequently released balancing payments will be created for the missed payments.

19.2 Generate payment detail for DLF ‘pay on actual’

- For the DLF Employer Responsive model there are no reconciliations or maximum contract value adjustments because all payments are made based on actuals only.
- Payment is calculated by ‘allocation line’ and not the overall balance. For each ‘allocation line’ e.g. Apprenticeships; Adult Apprenticeships; Train to Gain; ER ALS; Learner Support (19+) or ESP, the system calculates the amount due and any cap adjustment. The payment is then posted for the next payment date.

This section is continued overleaf.
Pay provider … continued

- The payment calculation for each ‘allocation line’ is: current actual earned year to date amount \textit{minus} total paid to date.

- For funding query support, Provider Funding Reports (PFR) are available to providers via the Data Collection website. Reports include cash, volume and financial summary at provider and allocation/maximum contract value level.

Other scheduled payments will apply for items that are not paid through AMPS.

19.3 For DLF and ASL, view payment information

If appropriate, any AMPS User may select to view provider payments. The User:

- Selects to view payment details. All Local Area Offices are displayed, grouped by Region. Selects a Region and all Local Area Offices for the selection are presented. Selects a Local Area Office and all valid providers are displayed. Selects a provider to view payments by period.

19.4 For DLF and ASL, create payment files

- The AMPS system will automatically identify that a payment file is due according to the census end date schedule and will automatically create a payment file for ultimate input to CODA.

- Payments to providers whose status is ‘held’ at the close of business on the census date will be excluded from that month’s payment file. This includes any provider who has not returned a signed contract or if an allocation/maximum contract value has not been approved.

19.5 For DLF and ASL, process payment file to CODA

The payment file is now automatically processed through Payment Transfer Services (PTS) (see glossary for definition) and is delivered into the CODA ‘in tray’ for payment to the provider.

- For DLF, the Finance Team/Contract Team:
  
  o Runs the PTS report which compares the content of the AMPS DLF payment file with the CODA ‘in tray’ to ensure that no errors have occurred during this process.

  o Runs the AMPS DLF ‘Cashflow’ report in MS Excel or .pdf formats, which details payments that will be paid to providers.

  o Checks the report for ‘reasonableness’.

  o Authorises the release of the payment file using the PTS authorisation form and following the PTS guidelines.

  o If any errors have been identified in the reports above, completes a PTS error correction form, following the PTS guidelines.

  o Sends the form to the Programme Accounting Team.

This section is continued overleaf.
Pay provider … continued

The National Office Programme Accounting Team:
- Conducts any manual payment requests required.
- Reconciles the file and requests the Treasury Team to make payment.

- The National Office Treasury Team:
  - Transmits the payment to the provider by BACS

19.6 Create new template item

For provider payments that have not been processed through AMPs (or CMA), views the payment via CODA.
20. Terminate contract

<table>
<thead>
<tr>
<th>Office/Dept</th>
<th>Divisional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Officer</td>
<td>Contract Manager, Contract Approver, Account Manager</td>
</tr>
<tr>
<td>Timing</td>
<td>As required prior to contract closure</td>
</tr>
<tr>
<td>Information source</td>
<td>Contract Termination proforma (Commissioning and procurement team site)</td>
</tr>
<tr>
<td>Guidance</td>
<td>AMPS DLF Regional User Guides and AMPS ASL User Guide</td>
</tr>
<tr>
<td></td>
<td>Ending Funding Agreements with Providers</td>
</tr>
<tr>
<td></td>
<td>Dealing with Provider Failure</td>
</tr>
<tr>
<td></td>
<td>PIMS guidance</td>
</tr>
<tr>
<td></td>
<td>Online Data Collection guidance</td>
</tr>
<tr>
<td></td>
<td>Funding agreement</td>
</tr>
<tr>
<td></td>
<td>Provider Management Framework</td>
</tr>
</tbody>
</table>

How The following text describes the procedure.

Where performance issues have been presented to the provider and remedial action has not been taken within a reasonable time the provider will be advised that the LSC will not be contracting with them in the subsequent year. For this purpose the termination process is detailed in the Funding Agreement.

Termination can be used when a provider can no longer meet its contractual requirements. This section provides high level guidance only.

For additional guidance related to termination-related activities see ‘Ending Funding Agreements with Providers’ and Provider Management Framework referred to above.

20.1 Confirm that termination is the correct action

It is important to determine that contract termination is the correct action i.e. that approved contract variation or cancellation of a contract that has not yet been approved are not suitable actions.

Termination is the only process to use if an allocation has been assigned to the wrong UPIN. If an incorrect UPIN has been used then that contract must be terminated and a new contract created with the correct UPIN assigned.

An allocation/maximum contract value may also require termination if the provider’s UKPRN details have changed e.g. as a result of a merger.

For DLF Employer Responsive National single contracting, the managing Contract Manager is responsible for managing provider termination and should conduct the Contract Manager activities that follow.

This section is continued overleaf.
Terminate contract ... continued

20.2 Prepare for DLF termination

- The Contract Manager:
  - Begins completing the Contract Termination proforma.
  - Using the ‘Ending Funding Agreements with Providers’ guidance document and the Provider Management Framework, determines the steps that have to be followed depending on the reason for termination. Conducts the action in line with the guidance, including:
    - Holding discussions with the Contract Manager in each individual Divisional Office contracting with the same provider (not for ER under single national contracting arrangements).
    - Placing the allocation/maximum contract value on ‘hold’ (see section 17).
    - When approved, notes the provider final submission of the ILR and TPS returns via OLDC.
    - When final returns have been posted and received by AMPS DLF, releasing the allocation/maximum contract value from ‘hold’ (see section 18) then initiating the request to terminate a contract (e.g. by email/phone), specifying the reason and dates.
    - Noting that AMPS DLF calculates the final payment based on actuals submitted.
    - If the provider is in liquidation, obtaining the date of appointment of the liquidator from the London Gazette ([http://www.gazettes-online.co.uk/home.aspx?geotype=London](http://www.gazettes-online.co.uk/home.aspx?geotype=London)). Changing the status on PIMS to ‘In liquidation’ and entering the date of appointment into the ‘Change of Date of Legal Status’ Field. On ultimate termination, changing the provider funding flag in PIMS.

20.3 Request DLF termination within AMPS

- The Contract Manager:
  - Documents further details of the termination in the proforma. This should include the steps that have to be followed depending on the reason for termination in line with the ‘Ending Funding Agreements with Providers’ and Provider Management Framework guidance documents.
  - Navigates to the approved provider whose allocation/maximum contract value status is to be set to ‘Ready to Terminate’ status.
  - From the provider’s Allocation Audit page in AMPS DLF, requests to terminate the provider’s contract.
  - Retains any supporting documentation as auditable evidence.
  - Informs all appropriate parties for further action.

20.4 Review DLF termination request offline

- The Contract Approver:
  - In line with the ‘Ending Funding Agreements with Providers’ and Provider Management Framework guidance documents, grants or denies offline approval.

This section is continued overleaf.
Terminate contract ... continued

- Where offline approval has been granted, the Account Manager:
  - Formally notifies the provider of the intention to terminate the contract.

20.5 Approve DLF termination within AMPS

- The Contract Approver:
  - Receives notification of the request approval.
  - Navigates to the approved provider whose allocation/maximum contract value status is to be set to ‘Terminated’ status.
  - From the provider’s Allocation Audit page in AMPS DLF, selects to terminate the provider’s contract.
  - A warning message is displayed – ‘The system will now set the allocation/maximum contract value amount to equal the amount paid to date. Please ensure that all outstanding ILR submissions have been received before you terminate this allocation/maximum contract value as no further payments will be made.’ This warning message confirms that it is important that the provider has submitted their ILR returns and that these have been received into AMPS DLF as the final payment calculations will now be made.
  - Confirms the termination of the allocation/maximum contract value. The screen returns an allocation/maximum contract value of zero.
  - Retains any supporting documentation as auditable evidence.
  - Informs all appropriate parties for further action.
  - Where National single contracting arrangements are in place, informs the Budget Holder of the release of funds.

20.6 Consider the impact on Coda

- On approval of the termination request, if it is required to close down CODA accounts, this will be a manual process. Refer to CODA Guidance.

20.7 Consider the impact on Data Collection

- On approval of the termination request, if it is required to suspend the user account for online data collection, this will be a manual process. Refer to Online Data Collection guidance.

20.8 Reject DLF termination

- Where offline approval has been denied, the Contract Approver:
  - Rejects the termination of the contract and documents the reason why.

- The Contract Manager who submitted the contract termination for approval:
  - Receives notification of request denial and conducts remedial action.
21. Appendix A – High level business processes maps

Demand Led Funding (DLF)

The following diagram shows the high level business process for DLF with direct, numbered references to the appropriate section within this document for details of the supporting procedure.
Adult Safeguarded Learning (ASL)

The following diagram shows the high level business process for ASL with direct, numbered references to the appropriate section within this document for details of the supporting procedure.
22. Appendix B – SSoA template

The embedded file below is the final SSoA which accompanies the AMPS Funding Agreement and Contract Terms and Conditions when sent to the provider.

2009-10 SSoA
100209 v2.xls
23. Appendix C – Employer Responsive Variation Upload Tool detailed guidance

This guidance provides details of the ER Variation Upload Tool and the data entry requirements of the Employer Responsive AP spreadsheets as used in section 14 of this document.

The Employer Responsive AP spreadsheet is updated using the ER Variation Upload Tool which can be found at: https://teamsites.lsc.gov.uk/sites/data/DLFPA/default.aspx. Select the appropriate regional spreadsheet from the quicklaunch column on the left of the screen.

Overview

The ER Variation Upload Tool consists of 21 tab screens.

These break down into the four categories shown below:

<table>
<thead>
<tr>
<th>1. Export Sheets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SSoA Amps Profiles</td>
<td>ER tables for export and mapping to their corresponding ‘for upload’ Tabs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. User Input Sheets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Funding Totals</td>
<td>An overview of system totals plus budget calculator</td>
</tr>
<tr>
<td>Variation Input Form</td>
<td>The main data input screen</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Internal Reference</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions</td>
<td>An internal screen, mapping cell references across SSoA, AMPS and Profiles</td>
</tr>
<tr>
<td>Row Check</td>
<td>Contains a mapping reference for new data entered and saved</td>
</tr>
<tr>
<td>SSoA Original AMPS Original Profiles Original</td>
<td>Contains data copied from the corresponding regional ER spreadsheets</td>
</tr>
<tr>
<td>SSoA Variations Profiles Variations AMPS Variations</td>
<td>Contains the new values entered through the input form</td>
</tr>
<tr>
<td>SSoA for Upload Profiles for Upload AMPS for Upload</td>
<td>Contains full set of data including updated new values</td>
</tr>
<tr>
<td>Actuals Data</td>
<td>Data copied from the LSC data set</td>
</tr>
<tr>
<td>Provider Details</td>
<td>Contains provider name details which is used to map across all sheets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. System Control and History</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin</td>
<td>Contains run time and administration information</td>
</tr>
<tr>
<td>UserLog</td>
<td>Contains a history of activates by user and date</td>
</tr>
<tr>
<td>Help</td>
<td>Hyperlinked page contains basic help descriptions</td>
</tr>
</tbody>
</table>

The following describes each of the four categories in turn:
1. Export Sheets
These are the resultant pages that after processing will be used as the submitted results. Because these are very sensitive to manual changes it is recommended that these are not updated directly:

- SSoA
- Profiles
- AMPS

2. User Input Sheets

Budget Funding Totals
The following is a guide to entering Employer Responsive budgets.

<table>
<thead>
<tr>
<th>SSoA</th>
<th>AMPS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Description**
This screen maps to totals in the SSoA and AMPs sheets. It enables Budget values to be entered into the Budget column. The difference is measured in the Difference Column and is coded Red for a negative and Green for a positive difference.

**Operation**
1. Select the Budget Funding Totals sheet
2. Enter Budget values into the Budget Column.

**Variation Input Form**
The following illustrates the variation upload tool data entry process from that point, and the screens presented.
Select the funding stream from the drop down box.
Enter a provider UPIN. The provider name and provider status will present the name of the provider associated with that UPIN.

On selecting any Apprenticeship or Train to Gain funding stream, the following screen type will be presented.

<table>
<thead>
<tr>
<th>SAMIS RAG Status</th>
<th>Financial Year/AMPS</th>
<th>Academic Year/SSoA</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-18 Apprenticeships</td>
<td>Current</td>
<td>Change to:</td>
</tr>
<tr>
<td>16-18 Apps Funding Whole Year Value</td>
<td>409062.03</td>
<td></td>
</tr>
<tr>
<td>16-18 Apps ALS Funding Whole Year Value</td>
<td>17339.4</td>
<td></td>
</tr>
<tr>
<td>16-18 Apps SLN Whole Year Value</td>
<td>37.9</td>
<td></td>
</tr>
<tr>
<td>16-18 Apps Learners Whole Year Value</td>
<td>243</td>
<td></td>
</tr>
<tr>
<td>16-18 Learner Support Whole Year Value</td>
<td>0.64</td>
<td></td>
</tr>
</tbody>
</table>

Enter the new total(s) into the ‘change to’ cells of the financial and academic year total column(s), for each appropriate funding stream.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original amount</td>
<td>Change to:</td>
</tr>
<tr>
<td>CASH</td>
<td>370603</td>
<td>156530.7</td>
</tr>
<tr>
<td>SLNs</td>
<td>1065</td>
<td>124.5</td>
</tr>
<tr>
<td>Learners (STARTS)</td>
<td>300</td>
<td>21.1</td>
</tr>
<tr>
<td>In learning</td>
<td>150</td>
<td>19.7</td>
</tr>
<tr>
<td>Achievements</td>
<td>36</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Monthly details for the funding stream can then be reviewed and changed through the profiles matrix.

A financial year/academic year status indicator at the end of each row indicates if totals are incorrect. A green, ticked cell indicates that the totals are correct. A red, crossed cell indicates that the totals are incorrect. The difference columns identify the discrepancy. Any incorrect totals must be corrected i.e. the sum of all monthly profiles must equal the annual total before the data can be saved successfully.

If data entry is not followed by a save action i.e. is followed by selection of a different funding stream or UPIN, a warning message will be presented.

All input cells are cleared when moving from the selected funding stream or UPIN.

On selecting ‘19+ and Other SSoA’ from the funding stream drop down box, the following screen type will be presented.

<table>
<thead>
<tr>
<th>Other 19+</th>
<th>Current</th>
<th>Change to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>19+ Learner Support Whole Year Value</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>19+ Protection Whole Year Value</td>
<td>0.6</td>
<td>0</td>
</tr>
</tbody>
</table>

The SSoA data screen is presented. Grey cells reflect existing values.
Enter the new total(s) into the ‘change to’ cells for each appropriate funding stream.
After completion of data entry, click on the ‘save’ button located at the top of the screen.

If required, you can gain access to the SAMIS reporting tool from the SAMIS link button at the top of the screen.
On the right of the screen, from the drop down boxes, select the SAMIS RAG (red, amber, green) status, then select the reason for making the variation. Additional information supporting the variation should be entered into the free text box.

3. Internal Reference

Definitions of the Internal Reference TABS

Definitions TAB
This tab is used to cross reference column positions as part of formula references. Formulae will use these columns to return the column number that the formula is referencing. This allows for drag and expansion of formula referencing on other sheets so that explicit column numbers do not have to be set individually.

Row Check TAB
The row check tab holds the saved input for the given funding stream /UPIN. Values entered into the white cells are saved here when the save button is pressed (note this is not the save Excel spreadsheet button).

The row check tab consists of three rows of titles for AMPS, Profiles and SSoA. A further list is included as a reference point for all UPINS in the region. This is used to identify the row in the data sheets we have selected.

SSoA Original TAB
This contains the current SSoA data from the ER spreadsheet.

AMPS Original TAB
This contains the current AMPS data from the ER spreadsheet.

Profiles Original TAB
This contains the current Profiles data from the ER spreadsheet.

SSoA Variations TAB
This contains the complete set of changed SSoA data for all providers and funding streams that have been entered. Only data that has been changed will appear here.

Profiles Variations TAB
This contains the complete set of changed Profiles data for all providers and funding streams that have been entered. Only data that has been changed will appear here.

AMPS Variations TAB
This contains the complete set of changed AMPS data for all providers and funding streams that have been entered. Only data that has been changed will appear here.

SSoA for Upload TAB
This contains the complete set of data including the changes stored in the variations tab. It uses the mapped expression:
=IF('SSOA - Variations'!AW3="",'SSOA - Original'!AW3,'SSOA - Variations'!AW3)
This means that where the variations cell is blank, use the value in the originals cell. Otherwise use the value in the variations cell.

Profiles for Upload TAB
This contains the complete set of data including the changes stored in the variations tab. It uses the mapped expression:
=IF('Profiles - Variations'!F3="",'Profiles - Original'!F3,'Profiles - Variations'!F3)
This means that where the variations cell is blank use the value in the originals cell. Otherwise use the value in the variations cell.

AMPs for Upload TAB
This contains the complete set of data including the changes stored in the variations tab. It uses the mapped expression:
=IF('AMPS - Variations'!F3="",'AMPS - Original'!F3,'AMPS - Variations'!F3)
This means that where the variations cell is blank use the value in the originals cell. Otherwise use the value in the variations cell.

Actuals Data TAB
This tab contains the data from SAMIS and is the academic year value.

Provider Details TAB
This tab contains the provider details that map to the rest of the upload sheet. All providers map to these cells.

<table>
<thead>
<tr>
<th>SSOA</th>
<th>SSOA</th>
<th>Provider Name</th>
<th>LSC Region Code</th>
<th>LSC Local Office Code</th>
<th>Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>1050010</td>
<td>0</td>
<td>BARNFIELD COLLEGE</td>
<td>EE</td>
<td>080</td>
<td>RP</td>
</tr>
<tr>
<td>1050100</td>
<td>0</td>
<td>NORTH HERTFORDSHIRE COLLEGE</td>
<td>EE</td>
<td>080</td>
<td>RP</td>
</tr>
<tr>
<td>1050170</td>
<td>0</td>
<td>DUNSTABLE COLLEGE</td>
<td>EE</td>
<td>080</td>
<td>RP</td>
</tr>
</tbody>
</table>

Providers can be set to represent either national or regional providers though the setting of the provider code ‘RP’ or ‘NP’. This will set the conditional colouring.
Changes to this will be implemented by LSC National Office as it affects all sheets in the variation upload tool.

4. System Control and History

Admin TAB
This tab contains administration and internal referencing marker cells. It should not be changed by unauthorised users.

User log TAB
This tab contains a history of each time the save button is used to upload the entered data to the variations tabs. It holds the date, the name of the user and the provider and funding stream that was changed.

Help TAB
This TAB contains a brief overview of the variations input tab.
24. Appendix D – Adult Learner Responsive re-basing examples

The following are Adult Learner Responsive re-basing examples.

**Example 1 – Persistent under-performer only partially rebased**

Allocation 08/09 and 09/10 = £1,000 in both years

Delivery in 08/09 = £800  tolerance 10%, clawback 10% (max for 08/09)

Delivery in 09/10 = £796

Provider agrees to rebase 09/10 allocation down to £820 in Jan 2010 and delivers 97%, i.e 3% tolerance

**Combined Tolerance Benefit = 13% (10% + 3%)**

**2010/11 Allocation**

1. Start at delivery 09/10 = £796
2. Set 10/11 allocation at level that will enable over-delivery of combined tolerance from 08/09 and 09/10 (13%)
3. I.e Allocation (2010/11) = £704 (i.e £796 / 1.13)
4. Provider then needs to deliver at least £796 to clear tolerance slate
5. Allocation rebased retrospectively if delivery insufficient to clear slate

**Example 2 – Under-performer fully rebased in 09/10**

Allocation 08/09 and 09/10 = £1,000 in both years

Delivery in 08/09 = £900  tolerance 5%, 5% clawback

Delivery in 09/10 = £915

Provider fully rebases 09/10 allocation to £913 (08/09 +1.5%) in Jan 2010 to enable delivery of +100%, with 0% tolerance

**Combined Tolerance Benefit = 5% BUT** reset to 0% (as achieved 100% in 09/10). Provider not classified as **persistent** under-performer due to full rebase.

**2010/11 Allocation**

Start 10/11 allocation at same delivery level as 09/10, with no requirement to make up tolerance deficit from 08/09
Example 3 – Persistent under-performer NOT rebased in 09/10

Allocation 08/09 and 09/10 = £1,000 in both years
Delivery in 08/09 = £880  tolerance 5%, clawback 7%
Delivery in 09/10 = £920

Provider declines to rebase in 09/10 so delivery = 92%, with 0% tolerance (as below 97%). Clawback of 8% under-delivery in 09/10 actioned in one single recovery (March 2010) based on Mid-Year Claim

Combined Tolerance Benefit = 5% (08/09 tolerance benefit still needs to be ‘repaid’ despite 09/10 clawback)

2010/11 Allocation
Start at 09/10 delivery and adjust to enable over-delivery of 5% to ‘repay’ tolerance (£920/1.05 = £876)
25. Appendix E – ER - Summary guidance for use of SAMIS

The Single Account Management Information System (SAMIS) tool is used for analysis of provider performance and modelling of potential MCV adjustments in line with the Apprenticeship and Train to Gain policy and an overview of what Train to Gain and Apprenticeships funding streams are trying to achieve.

The SAMIS tool can be found at: http://tolsql904/Reports/Pages/Report.aspx?ItemPath=%2fSAMIS%2fSAMIS+Main+-+Original

Illustration A below shows the main menu initially displayed.

1. Main menu

From the main menu there are three columns from which reports can be generated:

- Train to Gain – TtG MCV Review Report
- Apprenticeships – Apprenticeships MCV Review Report
- Strategic Analysis and Planning Tools. From this column, the following reports can be selected:
  - TtG Aims Analysis Tool
  - Apprenticeships Aims Analysis Tool
  - Cash Earned from ILR Aims DLF Tool
  - TPS Payments Data

- A SAMIS Technical Annex can be found by selecting the Methodology option from the main menu.
- The status of SAMIS development can be found by selecting the SAMIS development log from the main menu.
2. MCV Reports

2.1 Select MCV Reports

From the Train to Gain and Apprenticeship columns MCV reports can be selected. The MCV reports should be used as part of the analysis of provider performance between 21\textsuperscript{st} November and 4\textsuperscript{th} December.

Illustration B below shows the new menu presented on selecting an MCV report.

Illustration B

From the MCV report screen, select from the drop down boxes:

- **Data load period** – for quarter one review select ‘period 3 for 9/10’.
- **Calendar range** – From the option presented i.e. ‘academic 1-12, fiscal 1-8 or fiscal 9-12’, select the most appropriate. For Train to Gain there is a focus on fiscal periods 1-8, though there is a requirement to review periods 9-12 with no increase. For Apprenticeships there is a focus on the academic year, periods 1-12. Account Manager – select ‘all’ for this purpose.
- **Portfolio area** – north, central, south or NA can be selected.
- **Region** – any region can be selected. Selecting the region or portfolio area (above) limits the provider names to this region therefore narrowing down the search.

Wait for the selection to take effect i.e. don’t press ‘view report’ at this stage.
Illustration C, below shows the result of selecting East Midlands.

From the East Midlands result presented, use the drop-down menus to:

- Select the desired calendar range, e.g. Academic (P1-12)
- Select the desired programme, e.g. TtG
- Select a provider – you can find an individual provider by using the ‘UPIN’ field or by selecting the ‘Provider Name’ field. An Account Manager can review a selection of providers, e.g. their caseload, in one report view by selecting (ticking) the relevant providers in the ‘Provider Name’ drop down field.

Press “View Report”. Please note that the reports may take a few minutes to load and single provider reports will load more quickly than complex multiple provider selections.

2.2 View MCV Reports

The MCV report shows actual provider performance against contract.

Illustrations D and E below show the report (in two parts) presented on selecting ‘view report’.
Illustration D

Illustration E

USER TIP! The arrow buttons can be used to hide menu’s and expand the view.
Within the cash, year to date section of the report:

- The ‘earned’ field is derived from the ILR. This field shows how much the provider has earned (Note that this may not be what the provider has been paid, e.g. if the provider has exceeded MCV then their payments will have been capped). The earned field is made up of achievement, ALS, balance and on-programme payments. This does not include learner support (as this is not recorded on the ILR). For Apprenticeships, there is a need to adjust the ‘earned’ value for learner support as a short term workaround. Learner support budgets and actual funding claimed by the provider can be found in AMPS – ER. The learner support detail will be presented. Using this value, calculate the ‘earned’ value.

- The ‘profile’ field shows the cumulative cash profiled in AMPS to the period selected in the calendar range, e.g. period 3. The profiled cash is at programme level, i.e. includes 16-18 funding plus 16-18 ALS plus 16-18 learner support.

- The ‘%’ field shows the value of the ‘earned’ field expressed as a % of the profile field. For Apprenticeships, where learner support has an impact on the earned value (explained in the first bullet point above), you may need to use the manually calculated/adjusted ‘earned’ value and express as a % of the profile.

- The ‘variance’ field shows the monetary value of the difference between ‘earned’ and ‘profile’.

Within the cash, total section of the report:

- The total ‘profile’ field includes learner support and ALS and will represent the MCV for the calendar range that is selected, e.g. fiscal 1-8.

- The ‘%’ field shows the YTD earned for the data load period, e.g. period 3 as a % of the calendar range that is selected, either fiscal or academic.

Further sections of the report show:

- Starts
- Achievements
- SLNs
- Learners in system

This section of the report gives the Account Manager a forecast of cash required to period 8 or 12 (dependent on the calendar range selected) to fund the existing learners on programme. In essence it is a view of what the liability would be if a provider took on no further new starts in their contract.

This is sourced from the ILR data and shows the OPP, ALS and achievement cash liability. Data is split between carry-in learners and new starts.

Some downward adjustments of the costs are calculated in the background to ensure that liability is not over-inflated, i.e. the providers’ historical (12 month rolling average) achievement rates are applied so that some allowance is made for early leavers/non-achievers.

Specific detail of the modelling adjustments can be found in the SAMIS Technical Annex found by selecting the Methodology option from the main menu.

When providers do not have their own historical data a programme average is used.

- Total
2.3 Analyse the MCV Report

Use the MCV report to review the actual performance of the provider against contract. Use section 14 of the ‘Operational Guidance to Support 2009/10 in year management of provision’ for policy and analysis guidance.

2.4 Use SAMIS modelling capability

To use SAMIS modelling capability double click on the provider name. This will open a sub report allowing you to change values which will dynamically change MCV suggestions. For example a change to the number of profiled starts can be modelled, or changes to average OPP or achievement rates if this is relevant to the agreed provider activity.

Click the Back browser to return to the main report.

This modelling guidance will be expanded in the next iteration of this document.

3 Strategic Analysis and Planning Tools

From this column, the following reports can be selected:

- TtG Aims Analysis Tool
- Apprenticeships Aims Analysis Tool
- Cash Earned from ILR Aims DLF Tool
- TPS Payments Data

Data in the first three tools listed are presented in pivot table format allowing Account Managers, NAS and other colleagues to carry out further detailed analysis as required, e.g. spatial delivery or starts/achievements at sector level.

The individual tools are illustrated below.
3.1 TtG Aims Analysis Tool
Illustration F below shows the report displayed on selecting this option.

3.2 Apprenticeships Aims Analysis Tool
Illustration G below shows the report displayed on selecting this option.
3.3 Cash Earned from ILR Aims DLF Tool
Illustration H below shows the report displayed on selecting this option.

3.4 TPS Payments Data
Illustration J below shows the report displayed on selecting this option.
The following guidance is provided for Account Managers involved in using the Single Account Management Information System (SAMIS) for quarter one provider performance review.

**Step 1: Initial Analysis of SAMIS MCV Review Report to Identify Providers for Consideration for Further Action**

To open the above MCV Review Report for either Train to Gain or Apprenticeships you need to click on the relevant MCV Review Report button from the main SAMIS menu, then choose either the desired ‘Portfolio Area’ or ‘Region’, and this will create another screen view from which you can choose programme type (Train to Gain, and Apprenticeships by age group) to get the MCV Review Report for a particular region or division (Portfolio Area). Then click ‘View Report’ and wait for the report to upload; this may take some time to load depending upon size of portfolio area and traffic on the network.

The ‘Cash’ section of the MCV Review Report (both Apprenticeships and Train to Gain) includes information on what a provider has earned to date, the profile for the period under review (Quarter 1 August to October), and the total profile for whatever contract period is chosen in the FY/AY drop down menu. All this information is taken from AMPS.
Detailed use of SAMIS for ER quarter 1 review … continued

The tolerance levels agreed by the SFA Operations Board and NAS executive have been translated into RAG thresholds in the ‘%’ column. Red is for performance of below 90% of profile, amber 90%-100% and green above 100%. These thresholds will be of more significance at later reconciliation stages, and for now they will guide Account Managers in identifying those providers with MCVs requiring attention in the Q1 review.

Contract variations will only be required where under or over performance is greater than cash value of £10,000 at quarter 1 (cumulative to period 3).

MCVs marked as Amber should be reviewed but may not require action. All those marked as green or red will progress to Step 2.

In particular, Account teams will need to ensure that through the Q1 review process any outstanding changes to profiles and MCVs relating to the original allocations round, that had not been uploaded by 13th November, are recorded and approved. It is particularly critical that any budget not yet included in provider MCVs but committed to those providers is done so at this stage.

Step 2: Green Providers ~ Recalibration of MCV Due to P13 Carry-In

The values contained in the ‘Learners in System’ section of the report are calculated from the latest ILR data. The OPP Liability is the estimated remaining cost of learners in the system, depending upon the contract period in question e.g. FY or AY. For Apprenticeships the OPP Liability calculation is further separated into Learning Payment and ALS and for both Train to Gain and Apprenticeships a separate Achievement Liability is calculated. SAMIS is unable to bring in TPS payments into the main MCV review report and NAS will advise separately on how to manage this. All components are split between 2008/09 Carry-In and 2009/10 Starts. 2008/09 Carry-in is derived from P3 data using a field in the ILR that identifies carry-in learners from 2008/09, whilst 2009/10 Starts is a YTD figure and will change with each refresh of data period by period. Please refer to the technical note accompanying SAMIS for a more detailed explanation.
Detailed use of SAMIS for ER quarter 1 review … continued

For those providers with a green RAG rating, this could be due to greater carry-in than anticipated when allocations and profiles were determined. Assuming that P13 closure was complete and accurate for such providers, this OPP and Achievement Liability is deemed legitimate and MCV adjustments must be made to accommodate this liability.

This will impact on the ability to deliver Starts as the simple example below for Train to Gain provider demonstrates:

Provider A 2009/10 TtG P1-P8 Allocation = 120 Starts x £1,000 + 100 Carry-In x £500 = £170,000
Provider A P3 2009/10 Data = 200 Carry-in x £600 = £120,000
Provider A P1-P8 budget remaining = £170,000 - £120,000 = £50,000 for P1-P8 Starts, which at the planning rate of £1,000 only gives you 50 Starts instead of the 120 planned.

There are sequential steps to adjusting for MCV pressures due to carry-in, depending upon the category of provider and the programme being delivered:

A) Provider exceeding P3 £Cash profile; but still within P1-P8 MCV.
   - For Train to Gain, 19-24 and 25+ Apprenticeships: the total P1-P8 Starts profile and future period profile must be adjusted to keep within MCV. So in the example above starts would be reduced to 50 and profiled accordingly.
   - For 16-18 Apprenticeships: all existing delivery needs to be funded, subject to affordability i.e. the overall national budget for the period August to March 2010 cannot be exceeded.

B) Provider exceeding P1-P8 MCV at P3:
   - For Train to Gain, 19-24 and 25+ Apprenticeships: for a provider in these circumstances all future Starts must be removed to adjust in part for this deficit in MCV. Where the provider has exceeded MCV because their MCV was insufficient to cover carry in, this should be covered by funding returned through Step 3. Where the MCV has been exceeded because of learner starts, action will be required to ensure that these learners are not funded by the LSC.
   - For 16-18 Apprenticeships: all new starts that have already occurred in 09/10 need to be funded, subject to affordability i.e. the overall national budget for the period August to March 2010 cannot be exceeded.

C) Provider exceeding P3 £Cash profile; still within P1-8 MCV but forecast to exceed.
   - For Train to Gain, 19-24 and 25+ Apprenticeships: it may be possible to adjust future starts or achievements profile to remain within MCV (as category A). However, if this is not possible, the action described for Category B providers will be required.
   - For 16-18 Apprenticeships: all new starts that have already occurred in 09/10 need to be funded, subject to affordability i.e. the overall national budget for the period August to March 2010 cannot be exceeded.
Detailed use of SAMIS for ER quarter 1 review … continued

Account Managers can model for the adjustments outlined above through SAMIS by clicking on the provider name and this will create a sub-report for this provider, as illustrated in the screenshot below.

This sub-report has a number of fields (the boxes in the grey top section in the screenshot above) that can be changed to make the above adjustments and model for other adjustments as well and these fields are as follows:

- Ave OPP Cost
- Starts to Complete Contract
- Cost based on even distribution
- Achievements to complete contract
- Est. cost of achievement.

For cases A to C above the adjustment is made by changing both the ‘Starts to Complete Contract’ field and ‘Achievements to complete contract’ field and this will automatically generate a revised modelled outturn MCV. Both these fields will need to be adjusted to satisfy the conditions above for provider types A to C.

Other fields allow for further modelling and the ‘Ave OPP Cost’ is a key field in the calculation for the modelled outturn MCV. In reviewing a provider’s MCV in Q1 what we are trying to do is estimate what a provider is likely to need as a final MCV either at P8 or P12. This estimate is made up of both a ‘Learners in System’ component, which we should know from the ILR to a large extent (see SAMIS technical note) and an estimate of future liabilities from new Starts in future periods. The cost of the latter is based on the average OPP liability of a provider for Starts to date in the 2009/10 year. This could be a good or bad estimate of future OPP liability depending upon the provider and their mix of provision. Account Managers are able to change the value of this field, where additional knowledge justifies such a change. If such adjustments result in a recommended change in MCV then, as with the above, such adjustments must be made within budget and the adjustments required for providers types A to C take precedent.

Step 3: Red Providers ~ MCV Reductions Due to Under-Performance

As noted in the main body of the paper, the agreed tolerance levels can only act as guidance for now and the NAS and divisional PADs (supported by the Train to Gain national team) will be reviewing SAMIS data to identify clear areas of under-performance that warrant attention.

Under-performance in P3 must be considered when adjusting future Start profiles and MCVs adjusted accordingly. It cannot be automatically assumed that providers will ‘catch-up’ and such assumptions need to be tested and proved. The SAMIS MCV Review Report produces a figure called the ‘Default Reconciled MCV’, this has been adjusted for YTD performance, so if a provider has achieved 90% of profile YTD the modelled MCV is automatically reduced by 10% on the assumption that performance levels will be mirrored in future periods. This figure will help as a guide in assessing the implications for MCV adjustments for under-performance.
## Reconciliation

Reconciliation will take place for:

**Expected delivery v actual earned as a whole (i.e. Delivery + ALS + LS).** This may therefore mean that if a provider has over-delivered against ALS but under-delivered against delivery that this would cancel each other out and potentially there would be no requirement for an MCV reduction.

For 16-18, we must reconcile providers delivery performance to the same level that was expected to be delivered. As well as reducing the providers MCV by the shortfall between expected delivery and earned, if a provider has under-delivered against their starts profile, a further MCV reduction should also be considered for the remainder of the year as they will not require funding for OPPs etc. SAMIS will only provide a recommended MCV required for learners currently on the system and an actual position will need to be proposed by the account manager for review and moderation as part of the agreed regional moderation process.

In assessing the change to the MCV, we should allow a margin of around 10% unless this is less than £10,000 then an MCV reduction is not required. Where a reduction is required, and a provider is in excess of around 10% then the full amount of under delivery should be taken from the current MCV.

As well as reducing the providers MCV by the shortfall between profiled and earned (subject to the tolerance), if a provider has under-delivered against their starts profile, a further MCV reduction should also be considered for the remainder of the year as they will not require funding for OPPs etc. SAMIS will only provide a recommended MCV required for learners.

### Table: Appendix G – Employer Responsive Q1 Tolerances

<table>
<thead>
<tr>
<th></th>
<th>16-18</th>
<th>19-24</th>
<th>25+</th>
<th>Train to Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation will take place for:</td>
<td>Expected delivery v actual earned as a whole (i.e. Delivery + ALS + LS). This may therefore mean that if a provider has over-delivered against ALS but under-delivered against delivery that this would cancel each other out and potentially there would be no requirement for an MCV reduction.</td>
<td>Expected delivery v actual earned as a whole (i.e. Delivery + ALS + LS). This may therefore mean that if a provider has over-delivered against ALS but under-delivered against delivery that this would cancel each other out and potentially there would be no requirement for an MCV reduction.</td>
<td>Expected delivery v actual earned as a whole (i.e. Delivery + ALS + LS). This may therefore mean that if a provider has over-delivered against ALS but under-delivered against delivery that this would cancel each other out and potentially there would be no requirement for an MCV reduction.</td>
<td>Expected delivery v actual earned as a whole.</td>
</tr>
<tr>
<td>Provider performance assessment:</td>
<td>For 16-18, we must reconcile providers delivery performance to the same level that was expected to be delivered. As well as reducing the providers MCV by the shortfall between expected delivery and earned, if a provider has under-delivered against their starts profile, a further MCV reduction should also be considered for the remainder of the year as they will not require funding for OPPs etc. SAMIS will only provide a recommended MCV required for learners currently on the system and an actual position will need to be proposed by the account manager for review and moderation as part of the agreed regional moderation process.</td>
<td>In assessing the change to the MCV, we should allow a margin of around 10% unless this is less than £10,000 then an MCV reduction is not required. Where a reduction is required, and a provider is in excess of around 10% then the full amount of under delivery should be taken from the current MCV.</td>
<td>In assessing the change to the MCV, we should allow a margin of around 10% unless this is less than £10,000 then an MCV reduction is not required. Where a reduction is required, and a provider is in excess of around 10% then the full amount of under delivery should be taken from the current MCV.</td>
<td>In assessing the change to the MCV, we should allow a margin of around 10% unless this is less than £10,000 then an MCV reduction is not required. Where a reduction is required, and a provider is in excess of around 10% then the full amount of under delivery should be taken from the current MCV.</td>
</tr>
<tr>
<td>16-18</td>
<td>19-24</td>
<td>25+</td>
<td>Train to Gain</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
<td>-----</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>required for learners currently on the system and an actual position will need to be proposed by the account manager for review and moderation as part of the agreed regional moderation process.</td>
<td>provide a recommended MCV required for learners currently on the system and an actual position will need to be proposed by the account manager for review and moderation as part of the agreed regional moderation process.</td>
<td>currently on the system and an actual position will need to be proposed by the account manager for review and moderation as part of the agreed regional moderation process.</td>
<td></td>
</tr>
<tr>
<td>Regional budget tolerance:</td>
<td>0% - all funding is returned to the central NAS team for review.</td>
<td>10% of the academic year budget. Any tolerance above 10% must be returned to the central NAS team for review.</td>
<td>10% of the academic year budget. Any tolerance above 10% must be returned to the central NAS team for review.</td>
<td>0% - all funding is returned to the National team for review.</td>
</tr>
</tbody>
</table>
In year risk assessment must be conducted at a provider or provider contract level as appropriate. In addition, the requirement to assess each category or component of each risk category will differ according to the provider/contract status i.e. if the provider, the contract or provision currently exists or is new. The table below provides a guide to the application of risk categories and components of each category.

**KEY**

A = Existing provider, contract and provision  
B = New provider  
C = New contract  
D = New provision

<table>
<thead>
<tr>
<th>Risk category 1</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value of LSC contracts as % of provider annual turnover</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk category 2</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider does not exceed recommended financial limit</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Following provider audit</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Financial elements of FfE FM&amp;C</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Using financial intelligence</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Actual delivery versus profile</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk category 3</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract value % devolved to sub-contractors</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk category 4</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>In year change</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk category 5</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess success rates</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Following inspection, assess outcomes</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Quality aspects of SAR</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Learner Health and Safety</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Quality aspects of financial health</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Quality aspects of FfE FM&amp;C</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk category 6</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phoenixing provider</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
</tr>
</tbody>
</table>
29. Appendix J – Location of guidance documentation

The following documents can be found at the location shown.

Provider Management Framework
https://newintranet.lsc.gov.uk/doccentre/National/FundingPlanningPerformance/Commissioning/Provider%20Manage

Provider Financial Headroom Check Procedure
https://teamsites.lsc.gov.uk/sites/national/mp/Procurement%20and%20Contracting/Contracting/Procedures%20Supporting%20the%20End%20To%20Business%20Process/Provider%20Financial%20Headroom%20Check%20v%201.0%20baselined.doc

CODA New supplier form user guide
https://newintranet.lsc.gov.uk/doccentre/National/Resources/Finance/nat-newsupplieruploaduserguide-ug-08jul2008-v3-0.doc

2009/10 Allocation and Planning initial load procedures

Family Learning Guidance
https://newintranet.lsc.gov.uk/doccentre/National/Learning/FAMILY%20LEARNING%20IMPACT%20FUNDING%20GUIDANCE%20ON%20RETURNS%20ADDITIONAL%20INFO%202008-09%20Final%20(2).doc

NLDC Guidance

ASL Funding Guidance

Framework for Excellence Documents and guidance
http://ffe.lsc.gov.uk/ffe/

Identifying and managing under performance

Glossary of Terms and Acronyms
https://teamsites.lsc.gov.uk/sites/national/mp/Procurement%20and%20Contracting/Contracting/Glossary%20of%20Terms%20and%20Acronyms/Glossary%20of%20Terms%20and%20Acronyms%200%205.pdf

Provider Registration for UKRLP Guidance
http://www.lsc.gov.uk/providers/ukrlp

Operational Guidance to support 2009/10 in year management of provision

Version 1.4 – January 2010
Provider guidance including LSC Funding Guidance: ILR Funding Claims and Audit Returns
www.lsc.gov.uk/providers

Information Authority website for ILR-related information
http://www.theia.org.uk