



## **SUNDERLAND CITY COUNCIL LEARNING AND SKILLS SERVICE**

### **Supply Chain Fees and Charges Policy, 2019-20**

#### **1. Background**

The Learning and Skills Service is funded via the ESFA's Adult Education Budget to provide a range of learning programmes for learners aged 19+. Learning opportunities include non-accredited introductory and short programmes as part of Community Learning, as well as accredited and vocational programmes leading to qualifications.

The Service's commissioning and delivery priorities for ESFA-funded post-19 education and training aim to reflect and feed into Sunderland City Council's strategic direction with regards to Economy, Education & Skills and Health & Wellbeing, as detailed in the City Plan which is an overarching strategy encompassing, amongst other things:

- Growing the economy
- Promoting better living and working
- Improving health and wellbeing
- Improving education and skills
- Building resilient communities
- Ensuring the Council becomes an effective collaborator and commissioner of services

In addition, our aims are aligned to national priorities around preparing people for employment, helping people into work, increasing levels of attainment in education and skills training and increasing people's overall proficiency in Maths, English and Digital Skills.

#### **2. Purpose of the policy**

This policy is in place to ensure transparency and accountability in terms of supply chain activity carried out by Sunderland City Council's Learning and Skills Service. The policy is also designed to meet the Education and Skills Funding Agency (ESFA) mandatory requirement that such a policy is in place prior to any sub-contracting activity taking place in 2019-20.

The Council's current sub-contractors are due for review in 2020.

#### **3. Scope**

This policy applies to all sub-contracting activity that we enter into to deliver ESFA or other funding body contracts.

#### **4. Overarching principles**

The Learning and Skills Service aims to optimise the impact and effectiveness of service delivery to learners and achieve value for money in the disbursement of public funding. To this end, we will ensure that:

- The principles of Ofsted's Education Inspection Framework are adhered to rigorously.
- Sub-contractor activities comply with the principles of best practice in the skills sector.
- Fair and transparent procurement activities with robust due diligence procedures are undertaken with potential sub-contractors.
- The funding retained by the Service will be related to the costs of the services provided. These services, and the levels of funding being retained for them, will be communicated to all stakeholders and clearly documented as part of a contract agreement.

## **5. Rationale for sub-contracting**

The Service aims to widen the range of programmes delivered to ensure increased participation of priority learner groups and to meet the requirements of the City Plan. It also aims to ensure that there is a wide geographical spread of provision throughout Sunderland's localities and, therefore, sub-contracts the provision to a range of learning providers.

These providers are our most important partnerships: they are largely community and voluntary organisations and are our partnership link across the many communities in Sunderland, enabling us to reach priority learners. They are locality-based organisations and learning takes place in schools and small community venues throughout the City, enabling us to respond to local community and employer needs, strengthen our collaboration with local schools and support the sustainability of the Voluntary and Community Sector and social enterprises.

## **6. Improving the quality of teaching and learning**

All sub-contracted providers are expected to meet the Service's Quality Assurance standards which are set out in a series of Key Performance Indicators, tailored to each provider and designed to contribute to continuous improvement.

The performance and quality of sub-contracted activity will be monitored and managed through a range of processes and procedures including:

- Observations of Teaching, Learning and Assessment
- A schedule of monitoring visits to providers' premises to assess compliance and quality of learner documentation and operational policies.
- Contract Review meetings with owners and managers to measure performance and put in place actions for improvement where necessary.
- Learner and employer feedback interviews and analysis.
- Development of self-assessment and improvement plans.
- Provision of CPD programmes and opportunities for development of tutors and assessors.

## **7. Publication of information relating to sub-contractors**

In compliance with the ESFA funding rules, the Learning and Skills Service will publish its sub-contracting policy, including fees and charges, on the Sunderland City Council website at the start of each academic year. The link to this is <https://www.sunderland.gov.uk/skills-agency-funding>

## **8. Funding rates**

For accredited programmes, the rates will be based on those published within the ESFA's Learning Aim Reference Service database.

For non-accredited Community Learning, providers are invited to submit quotes for each programme which are then assessed by the Service in terms of quality, guided learning hours, learner numbers and overall value for money.

## **9. Sub-contracting fees and charges**

For 2019-20, the Service will charge a management fee within a range of 15% to 25% for all subcontracted activities. The fees charged reflect the cost of developing the curriculum, capacity development, the commissioning and procurement processes, managing and quality assuring the provision, providing support for improvement including CPD programmes and administration of the individual contracts. Other charges may be made for any additional support deemed necessary to ensure that the quality of teaching and learning and the success rates of the provision meet the required standards. This may include the cost of funded activity that the Service undertakes on behalf of the provider such as Awarding Organisation fees and charges and hiring of facilities and equipment. It may also include additional site visits, lesson observations and bespoke support for tutors and managers/owners of the training companies.

## **10. Support provided to sub-contractors**

All sub-contractors will be supported throughout the length of their contracts, although the mix, balance and level of support for each provider will vary depending on their specific needs.

The support sub-contractors will receive in return for the management fee charged includes:

### **1. Management of the contracts (cost estimated at £60,000)**

- Ongoing strategy and policy development
- Developing practice in alignment with funding rules and regulations, including support with interpretation of and compliance with regulations
- Development of tender documentation and management of NEPO portal activity
- Carrying out all sub-contractor due diligence processes, including financial audit and legal scrutiny
- Drawing up and managing contracts and variations
- Managing and monitoring budgets
- Transactional finance
- Overall scrutiny of contract performance and making appropriate interventions where necessary

Staff directly involved:

- Portfolio Holders
- Assistant Director
- Learning and Skills Service Manager
- Quality, Performance and Achievement Manager
- Engagement Officers

### **2. Quality assurance and monitoring activities (cost estimated at £200,000)**

- Contract and performance monitoring, including evaluation, analysis, interventions and actions for improvement

- Audits, Monitoring Visits, Contract Reviews, Observations of Teaching, Learning and Assessment and learner/employer interviews in line with the Service's Performance Management Framework
- Developing and reviewing providers' quality management systems
- Management Information services and data control advice, including inputting data and submitting ILR claims

Staff directly involved:

- Service Manager
- QPA Manager
- Engagement Officers
- Quality Monitoring Officer
- Learning Champion
- Data and Funding Officer
- Business Support Assistants/Contract Assistants

### 3. Other activities to support sub-contractors (cost estimated at £40,000)

- Provision of Information, Advice and Guidance to providers in relation to contractual and funding rules, Ofsted requirements and good practice in the delivery of skills provision
- Support with all aspects of compliance within Safeguarding, Prevent, FBV, Equality & Diversity and Health & Safety
- CPD opportunities, coaching and planned training and development
- Co-ordination and management of training provider forums
- Assistance in the completion of SARs and QIPs
- Supporting the celebration of learners' achievements

Staff directly involved:

- Service Manager
- QPA Manager
- Engagement Officers
- Quality Monitoring Officer
- CPD tutors and coaches

### 4. Other costs included in points 1,2 and 3:

- Venues for training events
- Venues and hospitality for celebration events
- Stationery and printing (learner and course documentation)
- Travel involved in carrying out QA activities
- Management Information System licenses and fees
- A proportion of office overheads

## 11. Payment arrangements

The Learning and Skills Service agrees contracts and details of payment arrangements prior to the delivery of provision by sub-contractors. Provider payments are aligned to the delivery of specific outputs within a defined timeframe and providers must show evidence of their delivery via timely submission of the required data and documentation outlined in the contractual requirements.

For accredited programmes, 30% of the cost is paid at the start of each course to support initial outlay requirements such as learner registration with Awarding Organisations and

other set-up costs. The remaining 70% is paid on programme completion and receipt of the qualification certificate.

For non-accredited Community Learning programmes, the full amount is paid on completion of each course, aligned to the achievement of key targets such as recruitment, retention, achievement and progression.

All providers are required to submit specified ILR information to demonstrate enrolment, eligibility, completion and achievement of all learners recruited.

All payments will be triggered by validated evidence of delivery and following receipt of a valid and approved invoice. Payments will be made to sub-contractors 30 days after receipt of the invoice.

Submission of inaccurate information will delay the validation of evidence and impact on the timescales in which payment can be made.

The Service expects that providers will co-operate in assessing the accuracy of payments and check remittance advice notes to ensure there are no errors. Where inaccuracies have occurred, providers are expected to notify the Service as soon as they have been identified.

## **12. Contingency planning**

All learners who undertake education and training programmes with providers sub-contracted by the Learning and Skills Service remain the responsibility of the Service. The Service, therefore, will follow robust procurement processes and procedures to ensure the quality and stability of potential sub-contracting organisations.

In the event of the following situations, the Service will be responsible for making alternative arrangements for the delivery of education and training:

- The Service withdraws or terminates a sub-contract arrangement, or
- A sub-contractor withdraws from the arrangement, or
- A sub-contractor goes into liquidation or administration

The Service will explore other options to ensure the continuation of education and training including transferring learners to existing sub-contractors, where provision and geographical areas match, or procuring further local providers. Ensuring continuity of learning and minimum disruption to learners will be our priority; to this end, when relocating current learners to comparable local provision, we will make every effort to ensure that they are safeguarded and not disadvantaged in any way.

## **13. Policy review and communication**

This policy will be reviewed annually by the management team before the commencement of delivery. The policy will be available on the council website via the following link:

<https://www.sunderland.gov.uk/skills-agency-funding>

It will also be communicated to providers at pre-contract meetings and Provider Forums. Providers will be notified of any policy changes as part of their regular Contract Review Meetings as well as during regular Provider Forums.

In compliance with the Education and Skills Funding Agency rules, we will inform the ESFA of the actual level of funding paid and retained for each of our delivery subcontractors in 2019/20.

Authorised declaration on behalf of the Service

**Signature:** 

**Name:** Jon Ritchie

**Position:** Executive Director of Corporate Services

**Date:** 16 October 2019