



Cumbria County Council Community Learning and Skills – UKPRN 10001800

Supply Chain Fees Policy 2018/19

Context

Cumbria Community Learning and Skills (CLS) Service is an integral part of the Cumbria County Council's People Directorate and is responsible for the delivery of the Adult Education programme in Cumbria. The focus of this delivery is based on the Vision and strategic outcomes of the County Council:

Our vision is: A Council that works with residents, businesses, communities and other organisations to deliver the best services possible within the available resources.

Our outcomes are:

- People in Cumbria are healthy and safe.
- Places in Cumbria are well connected and thriving.
- The economy in Cumbria is growing and benefits everyone.

Provision also links directly to the priorities of the Cumbria Local Education Partnership (LEP). The LEP's priorities for revenue investments in the skills system between 2016 and 2020 are structured into four themes. These themes, and the actions contained within each, have been informed by labour market information and by direct input from employers and skills providers:

- Future Skills, Careers and Enterprise
- Developing the Skills of the Existing Workforce
- Addressing Unemployment and Underemployment
- Advanced and Higher Level Skills for the Local Economy

The Service is externally funded by The Education & Skills Funding Agency (ESFA) which requires all of its directly funded providers to develop and publish a supply chain fees policy for any subcontracted provision.

Scope

This policy applies to all supply chain activity supported with funding from the ESFA and the European Social Fund.

Rationale for Sub-contracting

Community Learning and Skills has developed a range of partnerships with subcontracted providers to help us to achieve our mission *to strengthen and sustain the people and communities of Cumbria through the power of learning*:

- Some of our subcontracted providers are schools that have become independent academy trusts in recent years. These schools delivered adult learning programmes for many years whilst they were part of the council, so it is only the nature of their relationship with the council that changed at the point of becoming an academy, moving from being an integral part of the council's own direct delivery to that of being a subcontracted provider.
- Cumbria is the second largest county in England with an area of approximately 2,500 square miles. This presents considerable challenges for delivery of a county-wide service and many of our local community-based subcontractors enable us to meet this challenge, especially in relation to our areas of highest disadvantage in geographically isolated communities on the south and west coast.
- A number of our subcontractors are niche providers working with specific targeted groups of disadvantaged adults, such as adults who are unemployed or those who are disabled or are recovering from mental ill health.
- One of our subcontractors is an FE college where access to our more flexible Community Learning funding enables the college to widen participation to disadvantaged adults in the community and so aid progression to college courses.

Improving the Quality of Teaching, Learning and Assessment

Subcontractors will be expected to meet Service quality assurance standards. The quality of provision will be monitored and managed through the Service's existing quality assurance processes and procedures.

The Service is committed to continuous improvement of the quality of teaching, learning and assessment. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report, regular lesson observations with constructive feedback and the shared resources of professionals to support the subcontractor with any teaching and learning issues.

Contingency Plan in the Case of Non-delivery

In compliance with ESFA and other agency funding rules that apply, if a sub-contractor withdraws from the arrangement, or if a sub-contractor goes into liquidation or administration, Cumbria County Council undertakes to directly manage and deliver the remainder of the agreed provision already being delivered. This delivery will be either through existing structure or by retaining tutor expertise and/or specialist equipment, whichever is more cost-effective. Any provision planned but not started will be cancelled and the project closed. If Cumbria County Council needs to withdraw from a sub-contracting arrangement, sufficient notice will be provided to allow sub-contractors to complete delivery of immediate provision. Cumbria County Council will provide support to enable sub-contractors to identify other sources of funding if possible, or take

appropriate action to complete the project, or close the project at the earliest opportunity, without prejudice to currently enrolled learners or staff.

Fees and charges

The Service retains a management and administration of 20% of gross funding drawdown for all subcontracted provision. This figure represents the cost of effectively identifying, selecting and managing all subcontracted provision and covers the cost of the standard support that the Service deems necessary to ensure the quality of teaching, learning and assessment and high success rates of any sub-contracted provision. Functions covered by these support costs include:

- Provision of a named contract manager, including contract management, risk assessment, contract monitoring meetings and advice and guidance.
- Curriculum planning
- Quality assurance and management systems
- Observations of teaching, learning and assessment (OTLA), including processes for shadow observations, moderation and standardisation.
- Management Information Systems (MIS) functions including management reports, submission of monthly Individual Learner Reports (ILR) returns to the ESFA, audit, interface with funding bodies, and advice about funding and data.
- Site visits
- Access to a programme of Continuing Professional Development for staff
- Regular network meetings
- Sharing of good practice and innovation across providers.
- Help to improve delivery to learners.
- Use of the Service's learning platform (Learning Pool), including staff training and setting up of accounts.
- Support with policy development
- Equality and diversity monitoring and support.
- Support with preparation for Ofsted inspections

Payment arrangements

The standard payment arrangements are that the Maximum Contract Value (MCV) specified in the provider's subcontract is paid in six equal bi-monthly payments in September, November, January, March, May and July.

However, following payment 1 in September, provider target profiles specified in the contract are regularly compared with actual delivery as recorded on the ILR and payments 2 – 6 are reduced or suspended where necessary. In this case payments are as follows:

Payment 1 (September 2017) – one sixth (16.67%) of total MCV.

Payment 2 (November 2017) – data returns used to calculate actual earnings to date. If this is less than 80% of expected profiled delivery, payment made is actual earnings to date less payment 1. Provider is required to submit detailed action plan of how they will make up the shortfall.

Payment 3 (January 2018) - data returns used to calculate actual earnings to date. If this is less than 85% of expected profiled delivery, payment made is actual earnings to date less payments 1 & 2. Provider is required to submit detailed action plan of how they will make up the shortfall.

Payment 4 (March 2018) - data returns used to calculate actual earnings to date. If this is less than 90% of expected profiled delivery, payment made is actual earnings to date less payments 1, 2 & 3.

Payment 5 (May 2018) - data returns used to calculate actual earnings to date. If this is less than 95% of expected profiled delivery, payment made is actual earnings to date less payments 1, 2, 3 and 4.

Payment 6 (July 2018) - data returns used to calculate actual earnings to date and projected additional earnings from outstanding achievements. If this is less than expected profiled delivery, payment made is actual earnings to date less payments 1, 2, 3, 4 & 5.

Final reconciliation (November 2018) – following submission of the final ILR return (R14) at the end of October, a final reckoning of actual earnings against MCV is made. Any outstanding monies due are paid, or an invoice is raised for any clawback in situations where payments 1 – 6 amount to more than final earnings.

- No invoices are required to trigger payments.
- Providers cannot claim more than the MCV specified in their contract.

Communication of the policy

The Service will ensure that all actual and potential subcontractors have sight of this policy. The policy will be reviewed annually in July and updated or amended as required. It will be published on the Community Learning and Skills area of the council's website at the start of each academic year and will be discussed at contract negotiation and set-up meetings with all subcontractors.

Signed:

J Williams

Name:

JULIE WILLIAMS OBEY

Job Title:

Director of Finance

Dated:

27.11.2018

Date for review: July 2019