



Brighton & Hove City Council Adult and Community Learning Supply Chain and Charges Policy 2019-2020

Introduction

The intention of this policy is to set out how Brighton & Hove City Council (BHCC) meets the Education and Skills Funding Agency (ESFA) funding rules and fulfils the ESFA contract for the Adult Education Budget (AEB) through its sub-contracting arrangements.

This policy outlines the management charges and fees for those providers who are sub-contracted by the council to deliver Community Learning (Family English, Maths and Language, Wider Family Learning, First Steps to Employability Skills, Functional Skills) or accredited programmes funded by the Adult Education Budget.

BHCC encourages a relationship with its providers from one that extends beyond the definitions of the contract to one which operates in a spirit of support, guidance, co-working, transparency and challenge, where necessary, in order to drive improvements and to ensure the best possible service delivery to learners.

BHCC has supply-chain fees and charges with sub-contractors depending on the type and size of contract. These are agreed with the sub-contractor in the negotiation stage of the contract and are subject to due-diligence and a risk assessment. They are also dependent on agreed success rates and volume measures.

Appendix A details sub-contractors and contract values for 2019-2020.

BHCC reasoning for sub-contracting

BHCC engages in sub-contracting to:

- be more responsive to meet the needs of learners in the city
- strengthen links with local community organisations for the benefit of adult learners
- promote more effective collaboration with other adult learning providers
- diversify the capacity to deliver

The two critical considerations in engaging a sub-contractor is that they will add value to Brighton & Hove's economy, and that the contract represents value for money.

Training courses are reviewed on annual basis at governance meetings and curriculum plan agreed.

Quality Assurance processes

The service works closely with sub-contractors and partners to ensure high quality learning and a consistent approach. All providers have an excellent understanding of the robust evidence we are required to collect for both the ESFA and Ofsted. The tutors both, BHCC staff and those employed by the provider, will be experienced, appropriately qualified and have current DBS checks, which are confirmed annually.

BHCC will:

- Appoint a named officer (Education & Skills Officer) as first point of contact who will respond promptly to any queries and monitor the performance against contract throughout the year.
- Hold regular contact, dialogue and professional support with key sub-contractor contacts through contract monitoring meetings and governance meetings.
- Hold regular contract meetings to monitor provider performance against contract requirements and the quality of delivery against national quality benchmarks.
- Monitor sub-contractors to ensure that they comply with their obligations in respect of processing personal data under the sub-contract and complying with associated legislation.
- Offer information, advice, guidance and support to ensure delivery are compliant with ESFA Funding Rules.
- Provide quality Assurance and Improvement support.
- Process and submit to the ESFA of ILR returns, data validation and reporting.
- Process business support paperwork, invoices, regular finance payments and inputting of data.
- Document completion and submissions via e-sourcing platforms.
- Review, scrutinise and provide constructive feedback on reports, plans and analysis provided by sub-contractors, including:
 - Self-Assessment Report (SAR) & Quality Improvement Plan (QIP)
 - Safeguarding log
 - Staff database
 - Complaints log
 - KPI & performance reports, including delivery information and observation findings.
- Review the annual Self-Assessment Review (SAR). This document will involve all staff within the service, learners and appropriate partners, employers and stakeholders. The SAR will review performance in line with the Education Inspection Framework and include reference to national benchmarks, trends and minimum standards. The SAR will be updated through the year, as and when necessary (e.g. in response to outcomes).
- Review the Quality Improvement Plan (QIP) that is developed alongside the SAR and details key improvements to be made within year, the people, the improvements involved and the deadline for the improvement. The QIP will be reviewed and formally updated at least termly.
- Undertake direct observations of learning, teaching and assessment as

appropriate.

- Participate in sub-contractors' course monitoring and RARPA review activity. Sample course folders to ensure they meet the agreed quality requirements
- Spot check venues being used to deliver BHCC funded learning opportunities to ensure compliance with requirements.
- Scrutinise sub-contractor ILR data. This would include undertaking compliance checks on information included in the ILR in relation to the ESFA Funding Rules, such as:
- Undertake learner eligibility checks and learner file audits (as per ESFA Funding Rules)
- Benchmark performance, as a minimum with other Local Authorities with similarities to BHCC, to ensure 'best value'.
- Undertake audits and consultation activity with learners, non-learners and key stakeholders / partners to inform provision and practice.
- Commission external representatives to undertake impartial quality assurance checks of BHCC and sub-contractor practice.

BHCC's typical percentage range of fees retained to manage subcontractors, and how this range is calculated

BHCC's policy adopted for the ESFA contract 2019-2020 academic year is to retain a management fee of £28,907.00 of the allocation. See Appendix A for further details. BHCC believes this is a reasonable and proportionate fee but it may be reviewed in future years

In summary, this fee is used to contribute to the salary costs of the Education & Skills Officer, administrative support to merge and upload the ILR and other costs associated with managing supporting and monitoring the provision as listed above. See Appendix B for breakdown of how BHCC uses the management fee and the services provided. These arrangements are discussed with the sub-contractor at the initial contract meeting and published on the Councils website.

Sub-contractors are paid at regular intervals three times a year and in line with funding contract and related agreements.

How and when the policy is communicated to and discussed with current and potential sub-contractors

The policy is communicated through termly governance/contract meetings with the current sub-contractor and at contract award meeting with potential sub-contractor(s).

Policy Review:

This policy is reviewed annually and updated accordingly.

The Policy may be reviewed if significant changes in the ESFA Rules occur. Any changes to this policy that occur mid-contract will be discussed with sub-contractor/s.

In addition, BHCC, as part of the sub-contractual agreements, will undertake a performance and delivery review to enable re-profiling of payments, if delivery volumes or quality of service have fallen below agreed levels.

Where the policy is published on the council's website at: www.brighton-hove.gov.uk

Appendix A: Subcontractor summary information

UKPRN	Provider	Contract value	Management fee held by BHCC from the overall allocation.	Contract Payable	Contract start date	Contract end date
100 2578	Friends Centre	£140K	6%	£120K + £20K Sub Contract plus performance related payment Grant payment	<u>Two Year agreement</u> Year one 2018-19 AY signed 10 January 2019	31 July 2020
	Friends Centre	£166,161	6%		Year two 2019-20 AY signed 9 September 2019	
10011159	Tempus Training	£73,567	6%	£73,567	2019-20 signed 17 December 2019	31 July 2020

Appendix B

The following costs will be incurred by the BHCC in supporting the 2 sub-contractors and will therefore be retained by the BHCC a management fee. These costs have been calculated based on the 2018-19 academic year delivery and were therefore based on supporting delivery of 1020 enrolments BHCC may vary this cost based upon learning aim numbers but in the same proportion: The associated costs to support these services are outlined in the following table.

Total ESFA Funding 2019-20 academic year	£560,349
Total Management Fee based on the contract value	£28,907
Percentage	6%
Service/Support	Costs
<ul style="list-style-type: none">➤ BHCC employment costs adult education manager, administrator, and data analyst.➤ Contractual support as listed above➤ Including, management of procurement, financial due diligence, funding rule adherence, audit preparation and general support advice to the Training providers. This will include facilitation of termly contact/governance meetings, curriculum and strategic alignment review of data and outcomes against contract & national benchmarks, attendance at quality meetings, support in preparation of self-assessment report and quality improvement plans.➤ Liaison with funding body➤ Liaison with BHCC HR and financial control as appropriate	£20,000
<ul style="list-style-type: none">➤ Annual subcontracting certification process➤ External audit fees required by the Education and Skills Funding Agency re;	£2,500
<ul style="list-style-type: none">➤ 2 days attendance fees conferences and External consultant fees Quality Assurance (EQA), Observation of Teaching and Learning Assessments (OTLAs) etc.	£3,661
MIS & contingency costs	£2,746.00

Review date and Officer responsible

This policy will be reviewed annually and in-year as required by funding guidelines and rules

Reviewed 31 October 2019

Review date July 2020

Officer Responsible Assistant Director of Education & Skills

Signed By 

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Jo Lyons

Date 20 December 2019