



Northamptonshire County Council Supply Chain Fees and Charges Policy 2017/18

Introduction

As a provider with the Education and Skills Funding Agency (ESFA), Northamptonshire County Council (NCC) has a Contract value in the region of £2.3m for 2017/18. NCC has developed a small like-minded supply-chain who can complement our existing provision.

Scope

This policy statement details how NCC will apply fees and charges to sub-contract agreements with organisations for the delivery of training on the Councils behalf for 2017/18 and is published in line with ESFA Adult Education Budget requirements. This policy provides transparency for all subcontractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to sub-contracted provision under NCCs direct contract with the ESFA.

Reasons for subcontracting

NCC is committed to growing and diversifying the range of courses it delivers to widen participation (in particular in those aged 16-18 and 19-23) and meet the regional and local economic development agenda. In order to achieve this, NCC, in line with its strategic aims and objectives, engages with sub-contractors to;

- To better meet learner needs
- To recognise the benefits that effective sub-contracting can bring to extending the accessibility of provision for learners and thereby contributing to the economic prosperity of our local communities
- To deliver niche provision and widen participation of hard to reach and other individuals that face barriers to participation in learning and work, by building on a sub-contractor extensive and focused experience in specialist areas
- To capacity build and be able to respond flexibly to changing market demands and emerging opportunities
- To ensure greater cost efficiency by running certain programmes where it would not be viable for NCC to build

- To provide good development opportunities for both NCC and its subcontractors, to share good practice and new ways of working

Commitment to maintaining standards and improving the quality of teaching, learning and assessment

In September 2016 the service was inspected by Ofsted and rated as maintaining Good. NCC is committed to a policy of continual improvement to the quality of teaching, learning and assessment. This is demonstrated through the Supply Chain Policy by ensuring that:

- Supply chain partners are selected through a rigorous, due diligence process that requires demonstrable evidence that they can deliver high quality teaching and learning
- Supply chain partners are managed through a process of regular performance monitoring and review process which provides both challenge and support, thus raising standards and improving outcomes for learners and employers
- Observations are carried out on all aspects of teaching and learning, including information, advice and guidance, progress reviews and assessment
- Learner voice surveys are requested to gather feedback from learners
- Subcontractors are supported to develop an effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) and incorporate these into the whole service SAR

Management fees

NCC will retain a management fee of 10.5% of all funding drawn down against the provision to be delivered. This management fee is deducted from the ESFA rate based on the funding income received by NCC. This is derived from the published data in the Provider Funding Record (PFR) distributed to NCC via The Data Service on behalf of the ESFA.

- This figure represents the total cost that NCC incurs in effectively identifying, selecting and managing sub-contracted provision
- The management fee is calculated based on the level of resource required to manage effectively the individual subcontractor relations, ensure funding returns and requirements are met, and to ensure that the high quality of delivery to learners is maintained and any risk to the Council and ESFA is mitigated

NCC support for subcontractors

The Supply Chain relationship has a joint responsibility to deliver high quality provision to all learners. Therefore subcontractors working with NCC receive access to a high level of support, guidance and NCCA systems, including:

- Designated contact
- Regular performance updates against clear measures of success
- Regular performance and quality visits
- MIS returns completed
- Monthly funding reports
- Quality management systems and support
- Ongoing data checks and support to resolve data queries
- Management information services and data control advice for submitting ILR claims
- Audit of management systems and delivery and observation of teaching/learning
- Observation of Learning, Teaching and Assessment coaching to share good practice
- CPD opportunities and planned training and development
- Learning opportunities in NCC courses
- Support with funding rules compliance
- Evaluating feedback
- Providing assistance in completing self-assessment report that feeds into NCC SAR
- Monitoring of safeguarding issues and concerns, including PREVENT
- Equality, diversity and inclusion advice and support
- Policy development
- Support with funding rules interpretation and compliance and developing practice in conjunction with funding regulations
- Regular national updates regarding funding and policy guidance

Contingency Plan:

All learners who are provided with education and training under an agreement between the NCC and a subcontracting organisation remain the responsibility of NCC. NCC will follow robust pre-contracting processes to ensure the quality and stability of potential subcontracting organisations.

NCC mitigates risks by:

1. Commissioning local providers
2. Commissioning provision for local needs

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

1. NCC needs to withdraw from a subcontract arrangement, or
2. A subcontractor withdraws from the arrangement, or
3. A subcontractor goes into liquidation or administration

NCC will explore a range of options, to organise the continuation of education and training including:

1. Sourcing alternative subcontractor provision
2. Using other existing subcontractors where provision matches
3. Taking on the provision from the subcontractor for the remainder of the contract period where resources permit

NCC will work with the subcontracted Provider to implement a contingency plan, once withdrawal from the contract is made in writing.

Exit strategy

Upon withdrawal from the contract, an exit meeting with the Provider concerned will be organised to review items of the contract and agree document retention to meet funding guidance, as well as informing learners, prospective learners and the local community.

NCC payments terms to the Supply Chain

NCC payment terms are 30 days. Payments are made to the subcontractor on a monthly basis, at the end of the following month in which the activity is successfully processed, uploaded to the SFA by NCC and funding received from the ESFA. Payments are made based on the ESFA value provided in the PFR received monthly by NCC from The Data Service. The management fee arrangements for KBC reflect a 17 month contract agreement. Details of any rights by NCC to withdraw, reduce or withhold funding are published in the Partnering Agreement and relate to the protection of ESFA funds and not to the benefit of NCC.

NCC expects Supply Chain members to fully engage in assessing the accuracy of payments and have a responsibility to review their monthly financial reconciliations to identify any inaccuracies. Supply Chain partners are responsible for all registration costs and any associated costs of maintaining Direct Claims Status with their awarding bodies.

Submitting funding data

Data regarding the level of funding earned by each subcontractor will be submitted via the ILR according to Funding Agency requirements.

NCC review the Supply Chain Policy

The policy will be reviewed in each summer term and/or when significant changes in the Funding Rules occur. It will be published on the NCC website www.northamptonshire.gov.uk/adultlearning during September. A hard copy will be made available upon request. Current sub-contractors and potential sub-contractors will be directed to it as the starting point in any relationship.