

Policy and Procedure

Subcontracting Policy 2019/20

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Education & Skills
Funding Agency



Norfolk County Council, Norfolk Community Learning Services

Subcontracting Fees and Charging Policy 2019/20

The aims of this policy are to provide existing and potential subcontractors with information about Norfolk County Council, Norfolk Community Learning Services' reasons for subcontracting, how we select our potential partners, the fees and charges we levy, the services we provide and our terms for payment.

This is to ensure consistency, clarity and fairness for all partner organisations and Norfolk County Council, Norfolk Community Learning Services (the Service).

Section 1: Rationale for subcontracting

The Service secures its funding through external contracts that it has with the Education & Skills Funding Agency (ESFA) and all of its provision, whether directly delivered or commissioned, will be delivered in accordance with the terms and conditions of the Service's contracts with the SFA and to the quality standards set by Ofsted in the Education Inspection Framework.

The Service's commissioning activity in this period (2019/20) will take into account the following considerations:

- The Service will only commission activity that is identified within its Skills and Qualifications and Community Learning Strategies and that it is not able to deliver itself
- The Service will use its commissioning to contribute to Norfolk County Council priorities and those of the Local Enterprise Partnership (LEP)
- The Service will only commission provision where it has the funding capacity to do so

Section 2: Maintaining standards

As the Further Education sector is subject to significant funding constraints it is of paramount importance for the Service to ensure that the provision we offer both internally and through subcontractors and partners is of high quality and continually improves. Subcontractors and partners are reminded that the Service is subject to Ofsted inspection and that they must deliver consistently good or better quality of provision as set out in the Common Inspection Framework.

The Service seeks to engage subcontractors who can demonstrate record of good or outstanding performance and who share an ethos of working for continuous improvement.

The Service ensures subcontractors reach or exceed national standards set by Ofsted and the Skills Funding Agency through a rigorous due diligence process. Once appointed, subcontractors are subject to a robust monitoring, review and evaluation process which provides both challenge and support, thus raising standards and improving outcomes for learners and employers.

Through its monitoring and review process, the Service enables subcontractors to share good practice and to learn from each other. Where areas for improvement are identified, the Service works with the subcontractor to build their capacity and capability to offer the best possible services to learners, thus reducing risk and improving performance.

Ultimately the Service and its subcontractors work together to develop high quality providers which benefit the sector as a whole, as well as individual providers and their learners.

The service will look to work with external organisations to ensure we maintain our high standards and adopt best practices, this will support us to evolve in line with the requirements of our key stakeholders. There will be a robust CPD programme internally which all subcontractors and partners will be given access to throughout the duration of our time in partnership, this will support a proactive approach to developing good practice and driving forward high standards of working.

Section 3: Fees

3.1 Basic fees for standard services

3.1.1 The Service retains 15% of the funding earned by each learner to cover costs incurred in carrying out the following activities:

- Planning and procurement process
- Due diligence process
- Provider induction
- Funding and data management
- Monthly monitoring visits
- Quality Assurance
- Termly subcontractor meetings
- Annual contract review meeting

Please see additional information in Section 4 Services, para 4.1 “Standard Services”.

3.2 Fees for additional services

The funding retained by the Service will be increased where the Service plays a greater role in the programme and/or incurs additional costs arising from providing additional services and from the management of increased levels of risk which require additional support, for example, higher frequency of monitoring visits, additional observations. The percentage will vary according to the type and level of support required. In addition, where the Service makes payments on behalf of the provider, these will be recovered.

Please see additional information in Section 4 Services, para 4.2 “Additional Services”.

Section 4: Services

4.1 Standard Services

The Service will provide the following services to all providers:

Planning and Procurement Process

- ☐ Programme planning based on local and national priorities
- ☐ Development of tenders and/or procurement authorisation documentation
- ☐ Tender and/or procurement authorisation process

- ☐ Tender and/or procurement evaluation and award of contracts
- ☐ Pre-contract site visit and risk assessment
- ☐ Contract development, negotiation and agreement
- ☐ Setting up of procurement facility for contract payments

Due Diligence Process

The Service will implement a robust due diligence process in order to be assured that all subcontractors and partner organisations meet the Register of Training Organisations requirements.

- ☐ Development, implementation and management of the Due Diligence process in accordance with funding agency rules
- ☐ Assessment of Due Diligence information
- ☐ Support to complete the Service Due Diligence process and
- ☐ Support to meet the requirements set out by the Register Of Training Organisations
- ☐ Support to pass the Skills Funding Agency Due Diligence Gateway if applicable

Provider Induction

Training in:

- ☐ Funding policy, rules and regulations
- ☐ Quality standards, including Ofsted standards as set out in the Education Inspection Framework
- ☐ Completion of Service paperwork to Service standards, e.g. Learning Agreement, Register, Individual Learning Plan, Recognising and Recording Progress and Achievement in non-accredited learning etc.
- ☐ Audit requirements for the type(s) of provision offered
- ☐ Application processes for Discretionary Learner Support Fund, Additional Learning Support funding and Advanced Learning Loans
- ☐ The development and implementation of robust policies and processes in relation to safeguarding and prevent, health and safety, equal opportunities, data management and protection and sustainable development
- ☐ The collection of learner destination data.

Funding and Data Management

- ☐ Maintain awareness of and implement funding agency policy, rules and regulations
- Maintain the Service's relationship with the funding agencies
- ☐ Develop documentation and paperwork in accordance with the requirements of the funding agencies
- ☐ Purchase and maintain a specialist Management Information System
- Collect data, record it on the Service's Management Information System and submit accurate funding returns to the Education & Skills Funding Agency
- Manage the Service's funding
- ☐ Carry out ongoing internal audit
- ☐ Manage external audits
- ☐ Manage invoices and process contract payments to partner providers
- ☐ Assess, process and administer Discretionary Learner Support Fund, Additional Learner Support and Advanced Learning Loans applications
- arrange Copyright Licensing Agency licence - *see further information in Section 4, 4.2 "Additional Services"*.
- ☐ Promote awareness of the need to keep all learner data and documents until the end of the document retention period for the 2014 to 2020 Programme (at least until 31 December 2029)

Monthly Monitoring Visits

- ☐ Manage the contract
- ☐ Review performance against targets
- ☐ Review quality assurance processes
- ☐ Provide ongoing support to remedy issues identified
- ☐ To ensure ongoing compliance with the standards set out by the Register of Training Organisations

Quality Assurance

- ☐ Manage provision in accordance with the quality standards set out by Ofsted in the common inspection framework
- ☐ Act as lead in an Ofsted inspection
- ☐ Carry out observations of teaching and learning, assessment and initial advice and guidance
- ☐ Carry out audits to check the implementation of policies and processes in relation to safeguarding and prevent, health and safety, equal opportunities, data management and protection and sustainable development
- ☐ Provide ongoing support to remedy issues identified
- ☐ Manage the self-assessment process
- ☐ Manage and monitor the continuous improvement plan
- ☐ Collect feedback from learners and employers on the quality of provision and learner destination data and submit it to the funding agencies and Ofsted as required.

Regular Subcontractor Meetings

The Service lead will arrange regular meetings with subcontractors and partner organisations in order to:

- ☐ Disseminate changes in policy and regulations
- ☐ Share and exchange good practice
- ☐ Support subcontractors in meeting and understanding Skills Funding Agency, Ofsted, Norfolk County Council and Adult learning requirements
- ☐ Monitor compliance with contractual obligations.

Annual Contract Review Meeting

- ☐ Carry out an end of year review of performance
- ☐ Evaluate the contract

4.2 Additional Services

Where the Service provides additional Services or incurs additional costs, a fee will be charged based on the costs incurred. For example:

Service provided	Cost
Scheme approval	Awarding body fees + £20 per hour time spent. Average time to gain scheme approval - 30 hours
Awarding body registration and certification	Awarding body fees + £15 per learner administration fee
Internal verification	£27 per hour
Training	£110 per 2.5 hour session

	(£44 per hour of contact time)
Provision of accommodation	Hourly rate for accommodation and equipment + £10 booking fee
Copyright Licensing Agency (CLA) fees recovery	Learners aged 19+: £3.24 per FTE Learners aged 16-18: £4.55 per FTE (subject to amendment by the CLA)

Section 5: Payment Terms

5.1 Payments

The Service will agree payment with its subcontractors based on:

- Satisfactory delivery of agreed provision and/or services as detailed in the contract.
- Satisfactory completion and submission of paperwork and auditable documentation in accordance with the Funding Agencies' funding and audit guidance, and requirements such as making sure all the relevant forms, agreements, applications or other documents which are required to be sent to the Funding Agencies are, if necessary, completed and signed by the relevant authorised officer of the partner-provider and ensuring a learner does not exceed the maximum funding available in an academic year.
- Where applicable, awarding body certification being received by the Service within the required timescales
- The subcontractor's adherence to the terms and conditions set out in the contract and its Annexes

Payments will always be based on the funding actually earned by each learner and may vary if funding rates and guidance change during the period of the contract.

Payments will be subject to review throughout the Contract period and may be adjusted as a result of targets being exceeded or under-achieved. Payments may also be adjusted if the required data, evidence and paperwork, as detailed in the Management Information, audit requirements and paperwork section of the contract are not returned as requested, or as a result of an unsatisfactory audit.

Valid Invoices presented in accordance with Section 5 "Payment Terms", para 5.2 "Payment Methodology" will be paid within 30 days of the invoice date. Interest will not be due for the purpose of the Late Payment of Commercial Debts (Interest) Act 1999 until 30 days after a valid invoice has been received by the Service.

Invoices that are not presented in accordance with para 5.2 "Payment Methodology" may suffer a delay in payment.

Payment for learners may be withheld where there has been:

- No confirmation of registration
- No evidence that the learner (or apprentice) is still on programme
- No evidence that the learner has successfully completed a qualification and/or their full apprenticeship framework qualification

- The Service has notified the partner-provider that it is in dispute. Such notice will specify the nature of the dispute, the amount being withheld and the grounds for withholding
- Evidence that a learner has completed qualifications in previous study which render them exempt from funding

The Service reserves the right to reclaim funding if the subcontractor cannot provide on request evidence of good controls and regularity in their sub-contracted provision.

The Subcontractor will not levy fees or charges against any other person or organisation, other than to or through the Service for the Service's learners.

5.2 Structure of payments

- Payments by the Service to the Partner will follow the same pattern as payments made by the Skills Funding Agency to the Service.
- Payments by the Service to the Partner will be divided into on-programme and achievement payments.
- 25% of the Partner's agreed payment per learner will be paid on receipt of the learner's certificate or certification of the learner's apprenticeship framework
- 75% of the Partner's agreed payment per learner will represent the on-programme payments, which will start in the month when a learner or apprentice starts their programme and be divided into equal monthly payments to the Partner for the duration of the learner or apprentice's programme, with the exception of the first month when a double start-up payment will be paid.
- Example Payment Schedule for a 12 month learner or apprentice on an apprenticeship cycle:
 - 75% of the agreed payment per learner = 12 on-programme payments. The first on-programme payment is a double start-up payment, followed by 11 equal payments for the balance of % of the funding.
 - 25% of the agreed payment per learner = achievement payment on certification of the learner which is received within the required timescales.

Double start-up payment												25% Achievement payment
1	2	3	4	5	6	7	8	9	10	11	12	

11 equal payments

The subcontractor will invoice for its activity on a monthly basis and will submit invoices for payment for said activity at the end of each month. Payments will therefore always be one month in arrears

Please note - in respect of apprenticeships the payment schedule will vary according to the length of the apprenticeship framework.

Section 6: Communication and review of policy

This policy will be communicated as follows:

- At the July subcontractor meeting (existing subcontractors)
- At the annual contract review meeting with each subcontractor (existing subcontractors)
- On the Service's website
- At contract negotiation

The policy will be reviewed annually or more frequently should changes in funding guidance require it.