

**Policy Name:** **Supply Chain Policy for the  
Education and Skills Funding  
Agency Adult Learning**

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## 1. Purpose and scope

1.1. [The 2017/18 Education and Skills Funding Agency \(ESFA\) Funding and Performance Management Rules](#) require all providers who subcontract provision to publish a supply chain and charges policy in the interests of transparency and openness. The intention of this policy is to set out how Suffolk County Council (SCC) meets ESFA funding rules and fulfils the ESFA contract for the Adult Education Budget (AEB) through its subcontracting arrangements.

## 2. Introduction & Background

- 2.1. The aims of the Adult Education Budget (AEB) are to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or other learning i.e. basic skills in English and Mathematics and employability skills. In addition, it enables more flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, build confidence, and/or enhance their wellbeing i.e. community and family learning, including provision for adults with mental health conditions.
- 2.2. The Council have wholly sub-contracted Realise Futures CIC (RF) to deliver Adult Education and Community Learning across Suffolk since their divestment in November 2012. In line with the Suffolk Adult Learning strategy (2015-2019), the Council also sought to engage with additional community and voluntary organisations to deliver learning that increased the breadth and depth of provision. This was achieved through a second-tier sub-contracting arrangement through RF who procured and managed a series of small second tier subcontractors (mainly from VCS) on behalf of SCC.
- 2.3. In June 2017, the ESFA confirmed their Funding and Performance Rules for 2017-18. Point 104 of the new rules removed the facility to subcontract at a second level and specified that all delivery subcontractors must be contracted directly by the Council (the Prime contractor).
- 2.4. As a short-term measure, SCC took immediate action to implement an interim arrangement of directly subcontracting 11 existing providers to deliver the Council's adult learning offer across the county. These providers were already engaged in delivering provision in 2016-17 and were in effect, handed over to SCC from August 17 from RF.

## 3. Rationale for Subcontracting

- 3.1. SCC does not deliver learning directly but is a strong commissioner of high quality provision to:
- strengthen links with local community organisations for the benefit of adult learners
  - promote more effective collaboration with other adult learning providers to reduce perceived or actual competition and minimise duplication of offer across the county
  - diversify the capacity to deliver niche provision in marginalised communities, offered through sub contractual arrangements

#### **4. Improving the Quality of Teaching and Learning**

- 4.1. SCC expects high quality provision to be delivered to the residents of Suffolk and is committed to setting high expectations for learners' conduct and achievement.
- 4.2. SCC support subcontractors to deliver high quality teaching and learning by monitoring the provision:
  - Planned/unannounced observations which include formal observations and quality walkthroughs where a specific theme will be explored
  - Short notice audits of a sample of learner documentation
  - Moderation of RARPA process (where applicable)
  - Unannounced /short-notice face to face interviews with staff and learners
  - Evidence of your own performance monitoring activity and relevant quality improvement plans
- 4.3. Feedback from the monitoring will form part of the reporting cycle and Quality Improvement Planning.

#### **5. Contracting Fees and charges**

- 5.1. SCC's policy adopted for the ESFA contract 2017/18 is to retain a management fee of 2.5% from the main subcontractor (RFLD) with 5% being retained from all other subcontractors, so that the maximum amount possible is available for the delivery of learning.
- 5.2. Subcontractors are paid monthly, in line with the ESFA payment profile and within 4 working days of receipt of invoice.
- 5.3. Fees retained from the subcontractors, other than RFLD, are used to purchase the following support services from RFLD:
  - 5.3.1. ILR Data Management
  - 5.3.2. Support with the monitoring of Teaching and Learning
  - 5.3.3. Ofsted Nominee and inspection preparation

#### **6. Policy Review**

- 6.1. This policy is reviewed annually and updated accordingly.
- 6.2. 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 subcontractor/s.
- 6.3. In addition, SCC, as part of the sub contractual agreements, undertake a "performance and delivery review" quarterly, to enable re-profiling of payments, as where delivery volumes or quality of service have fallen below agreed levels. This review is encompassed within the contract management meeting timetable.

## 7. Support provided to the Subcontractor

- 7.1. Conditions of funding require SCC to have sufficient knowledge, skills, capacity and experience to successfully contract with and manage subcontractors. This includes the Council conducting a series of robust due diligence checks on subcontractors and the requirement to carry out a regular and substantial programme of quality assurance checks on the education and training provided by subcontractors, including visits at short notice and face to face interviews with staff and learners. In addition, it must also involve direct observation of initial guidance, assessment and the delivery of learning programmes.
- 7.2. SCC provide a dedicated contract manager and additional senior management support within the Skills team, part of Health, Wellbeing and Children's Directorate to ensure the terms of the contract are met and the quality of the provision remains or exceeds good.
- 7.3. Regular performance management, including monthly reporting (in line with the Common Inspection Framework), contract meetings and quality walk throughs.
- 7.4. Opportunities for subcontractors to access CPD, information and funding from additional sources.
- 7.5. SCC will lead on the preparation of the Self-Assessment Report and the Quality Improvement plan.

## 8. Policy Dissemination

- 8.1. This policy will be disseminated to the current Subcontractor via email and a website link.

## 9. Policy Communication

- 9.1. The Policy is available on-line at <https://www.suffolk.gov.uk/children-families-and-learning/adult-education-and-careers/>

## 10. Publishing Funding Data

- 10.1. Data regarding the actual level of funding paid to SCC and any resulting clawback from the subcontractor/s will be published annually in this document.

## 11. Relevant documents:

ESFA Funding and Performance Management Rules 2017/18

<a href="#">UKPRN</a>	Provider	contract value	management fee of 5%	<b>contract payable</b>
10042122	Green Light Trust	£66,000	£3,300	<b>£62,700</b>
10043398	Phoenix Rising	£35,200	£1,760	<b>£33,440</b>
10053300	Out Loud Music	£30,500	£1,525	<b>£28,975</b>
10039370	The Befriending Scheme	£9,900	£495	<b>£9,405</b>
10057039	Ipswich Community Media	£19,000	£950	<b>£18,050</b>

10057935	Lockarts	£12,500	£625	<b>£11,875</b>
10061543	Sentinel	£22,550	£1,128	<b>£21,423</b>
	Sentinel (ASB)	£2,750	£138	<b>£2,613</b>
10010326	Inspire	£16,500	£825	<b>£15,675</b>
10065180	Avenues East	£13,000	£650	<b>£12,350</b>
10001664	CTS (ASB)	£2,500	£125	<b>£2,375</b>
	CTS	£10,000	£500	<b>£9,500</b>
			management fee of 2.5%	
10036580	<b>RFLD</b>	<b>£2,532,473</b>	<b>£63,312</b>	<b>£2,469,161</b>

## 12. Subcontractor information - 2017-18

**All subcontracts begin on 1<sup>st</sup> August 2017 until 31<sup>st</sup> July 2018**