

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

Date of Issue **March 2017**

Contact: **Joanne Powley (joanne.powley@suffolk.gov.uk)**

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1. Purpose and scope

1.1. The 2016/17 Skills Funding Agency Funding (SFA) Rules require all providers who subcontract provision must 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 meets SFA funding rules and fulfils the SFA contract for the Adult Education Budget (AEB) through its prime subcontractor (Realise Futures CIC), and second tier sub- contracting where appropriate by Realise Futures CIC.

2. Introduction & Background

2.1. As part of Suffolk County Council's (SCC) divestment programme from 1st November 2012 Realise Futures CIC became the primary subcontractor for Suffolk County Council, delivering the councils SFA contract.

2.2. The subcontractor, Realise Futures Learning and Development (RFLD) part of Realise Futures CIC, provides a first rung learning and teaching service that offers adults a range of opportunities to:

2.2.1. prepare them for work

2.2.2. achieve nationally recognised qualifications

2.2.3. become actively engaged in their communities

2.2.4. raise personal and professional aspirations

2.3. Within the current contract specification there are 3 broad improvement outcomes that align to the priorities of Suffolk County Council:

2.3.1. Access to adult learning is broadened. There are more opportunities to access learning for adult learners across economic and socially disadvantaged groups and communities in Suffolk

2.3.2. More learners are placed on a pathway to access skills training, employment, and enterprise

2.3.3. The quality and standards of adult learning provision across the county continue to improve

2.4. Suffolk County Council, by subcontracting the AEB programme to Realise Futures CIC, also supports disadvantaged groups, including adults furthest from the labour market, to re-engage with employment, learning for skills and enjoyment.

2.5. The subcontracted provision is subject to a detailed contract that outlines roles and responsibilities of both Suffolk County Council and Realise Futures CIC, including financial values and payments, delivery schedules and performance indicators and management arrangements. The contract

contains all requirements as identified within the SFA Funding Rules document.

3. Rationale for Subcontracting

3.1. SCC regards Realise Futures as a strategic partner. By wholly subcontracting to them will ensure their continued sustainability as a divested mutual.

4. Improving the Quality of Teaching and Learning

4.1. SCC support Realise Futures to meet both internal and external (Ofsted) quality assurance frameworks with in-depth quality assurance protocols. This is set out in the Subcontracting Quality Assurance policy:



2106-08-01
Subcontracting Qua

5. Contracting Fees and charges

5.1. Suffolk county Council's policy adopted for the SFA contract 2016/17 is to retain a management fee of 2.5% of the allocation so that the maximum amount possible is available for use on the provision of services by Realise Futures.

5.2. Realise Futures are paid monthly per the timetable below, within 4 working days of receipt of invoice.

	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	TOTAL
From SFA to SCC	£401,790	£238,737	£241,241	£197,000	£158,323	£207,017	£149,976	£149,141	£353,097	£284,091	£242,076	£159,993	£2,782,482
Management fee 2.5%	£10,045	£5,968	£6,031	£4,925	£3,958	£5,175	£3,749	£3,729	£8,827	£7,102	£6,052	£4,000	£69,562
Payment to Realise Futures	£391,745	£232,769	£235,210	£192,075	£154,365	£201,842	£146,227	£145,412	£344,270	£276,989	£236,024	£155,993	£2,712,920

6. Policy Review

6.1. This policy is reviewed annually and updated accordingly.

6.2. The Policy may be reviewed when significant changes in the Skills Funding Agency Funding Rules occur. Any changes to this policy that occur mid-contract will be discussed with Subcontractor.

6.3. In addition, SCC, and RFLD, as part of the contractual agreement, undertake a "performance and delivery review" annually to enable claw back of fees, as assessed by Skills Funding Agency on reconciliation, or where delivery volumes or quality of service have fallen below agreed levels. This review is encompassed within the contract management meeting timetable.

6.4. In terms of second tier sub-contracting for 2016/17 SCC has approved the RFLD Supply Chain management policy for 2016/17. SCC supports the

development of the Realise Future's supply chain policy and re-affirmed our commissioning intention for RFLD to;

- 6.4.1. strengthen links with local community organisations for the benefit of adult learners
- 6.4.2. promote more effective collaboration with other adult learning providers to reduce perceived or actual competition and minimise duplication of offer across the county
- 6.4.3. diversify the capacity to deliver niche provision in marginalised communities, offered through sub contractual arrangements

6.5. The second tier subcontracting policy and performance of RFLD subcontracting is reviewed at SCC/RFLD contract management meetings. SCC assurances of best value and transparency of second tier subcontracting process are managed as part of the Quality Assurance process. SCC retains full control over approval of 2nd tier subcontractors.

7. Support provided to the Subcontractor

- 7.1. SCC provide a dedicated contract manager and additional senior management support within the Skills team, part of Children and young Peoples Services.
- 7.2. Regular performance management and contract meetings and joint quality walk throughs.
- 7.3. Opportunities to access information and funding from additional sources

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 will be published annually in this document.

11. Relevant documents:

SFA Funding Rules 2016/17:

<https://www.gov.uk/government/collections/sfa-funding-rules-2016-to-2017>

12. RFLD supply chain management policy:

<http://www.rflearn.co.uk/about-realise-futures-learning-and-development/subcontracting/supply-chain-policy>

13. Actual Data - 2016-17

Subcontractor	Realise Futures CIC
Address	Lovetofts Dr, Ipswich IP1 5NZ
UKPRN	10036580
Contract start and end date	01.08.2016 – 31.07.2017

Classroom based learning

From SFA to SCC – Adult Education Budget	£2,782,482
Management fee 2.5%	£69,562
Payment to Realise Futures	£2,712,920

14. 2nd Tier Sub-Contracting Fees 2016-17

14.1. to minimise risk to effective use of public funds, SCC ensures that the 1st tier subcontractor, RFLD, monitors the quality of the provision delivered through a risk-based management approach of 2nd tier subcontractors.

14.2. **A contract fee is charged at 5% of the contract value to all sub-contracting organisations and retained by Realise Futures for the following services:**

- 14.2.1. Pre-contract assessment
- 14.2.2. Performance and risk management
- 14.2.3. Curriculum and delivery support

UKPRN	Subcontractor	Fund	Amount Subcontracted	Fee Retained
10042122	Green Light Trust	Adult Education Budget - Former Community Learning	£25,961	£1,298
10043398	Phoenix Rising	Adult Education Budget - Former Community Learning	£21,470	£1,073
10053300	Out Loud Music	Adult Education Budget - Former Community Learning	£27,703	£1,385
10025255	Suffolk FA	Adult Education	£43,092	£2,155

		Budget – Skills Participation		
10039370	The Befriending Scheme	Adult Education Budget - Former Community Learning	£8,998	£450
10057039	Ipswich Community Media	Adult Education Budget – Skills Participation	£13,481	£674
10037619	Lockarts	Adult Education Budget - Former Community Learning	£5,689	£284