

# Rutland Adult Learning and Skills Service

## Policy

### Subcontracting Supply Chain Fees and Charges 2021-22

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#### 1. Outline

This policy sets out the rationale and approach taken with regard to the management of any subcontracting arrangements that are entered into by Rutland County Council (RCC) in respect of its contracts with the Skills Funding Agency (the Agency) under the auspices of its 'Rutland Adult Learning Service' (RALSS).

Approaches to the management of subcontracted provision will be risk-based, recognising the inherent risks associated with an organisation according to its size, track record, scale of operations and other pertinent factors. The assessment of risk associated with a given subcontractor will determine the level and frequency of control measures, such as audits and reviews, which are undertaken by RCC.

#### 2. Appendices

##### Overview of Subcontracting Approach

##### Annex A

#### 3. Reason for use of Subcontractors

3.1 Rutland Adult Learning Service (RALSS) will seek to engage with subcontractors to:

- Increase the variety of learning opportunities in Rutland and the surrounding area
- Develop opportunities to meet the needs of learners and employers in new and emerging areas of delivery
- Meet the local and regional economic agenda, especially as expressed by the Local Enterprise Partnership (LEP)
- Ensure that standards, quality and value for money are maintained in niche areas

3.2 This policy is for the attention of, and applies to, all subcontracted partner organisations, and such organisations as may seek to become a part of the RALSS supply chain.

#### 4. Management Fees

4.1 RALSS will levy a management fee related to all subcontracted provision that reflects the requirement for RALSS, as prime contractor, to have in place appropriate systems to ensure the quality and appropriateness of provision. The level of management charge levied is risk-related and is typically of the order of 15-20% of the value of the subcontract.

4.2 Subcontractors can expect support and guidance in the discharge of their duties which will include:

- Access to training, induction and professional development programmes where appropriate;
- A dedicated point of contact within RALSS who will act as subcontract manager in respect of support and guidance and on-going performance / contract reviews;
- Handling of reporting to the Skills Funding Agency in relation to the contracted delivery by RALSS;
- On-going monitoring visits with associated identification of actions to ensure compliance with contractual terms;
- Observations of Teaching, Learning and Assessment;
- Compliance and audit checks of learner and course materials to ensure Skills Funding Agency Rules are adhered to;
- Monitoring of data and SFA returns to ensure completeness and accuracy
- Due diligence checks including checks of the accuracy and quality of paperwork and records;
- A presence on the RALSS website, promotional materials and in general advertising.

As well as this, where appropriate and required RALSS may be able to offer the use of accommodation and resources at favourable rates to subcontractors and support in terms of enrolment handling / initial information, advice and guidance.

4.3 In addition, RALSS will scrutinise and challenge as appropriate, aspects of the subcontractor's provision including policies and procedures for:

- Safeguarding of Vulnerable Adults and Young People
- Teaching, Learning and Assessment including Observations of Teaching and Learning
- Health and Safety
- Equality and Diversity
- Data Protection
- Sustainability
- Financial Management
- Quality Assurance, including QIP and SAR
- Learner Support, including IAG, Initial Assessment and use of Learner / Learning Support Funds.

4.4 The management fee will be set by negotiation and agreement between RALSS and each subcontractor engaged, and will vary according to the level of support required, the track record of the subcontractor including historic success rates, the level of risk identified through the due diligence process and the programs being followed by learners.

## **5. Arrangements for Payment under Subcontract**

5.1 RALSS receives funding from the Education and Skills Funding Agency (ESFA) on a monthly, profiled basis and payments will only be made to subcontractors after the receipt of that funding, from the ESFA or any successor body that may take on the responsibility for funding skills.

- 5.2 Minimum qualification periods apply to learners according to the nature and duration of the learning that they are undertaking. If a learner withdraws before the minimum qualification period has been completed, no funding will be due or payable.
- 5.3 Monthly payments by RALSS, to subcontractors, will be determined by the level of funded activity that has taken place during each month, as confirmed by the Individualised Learner Report (ILR). RALSS will provide subcontractors with the necessary reports from the ILR, identifying the eligible funding for each period, and it will be for subcontractors to invoice RALSS for the funding therein identified, less the appropriate proportion to account for the management charge. Accordingly, funding is paid in arrears and will be payable within 30 days of the receipt of any invoice.
- 5.4 To ensure compliance with the Agency's Funding Rules and the terms of the contract between RCC and any subcontractor, RCC will maintain a regular audit programme and will require the full compliance of any subcontractor in providing samples of the evidence retained to support the claims made via the ILR. In the event that errors are identified that affect the eligibility of learners for whom funding has been claimed, RCC retains the right to recover funds from subcontractors by making reductions to future payments due to subcontractors within the scope of the contract.
- 5.5 If, as a result of audit by the Agency funds are recovered that relate to learning claimed under the auspices of a subcontract, be it in the year in question or in subsequent years, RCC reserves the right to withdraw funding from subcontractors equal to that withdrawn by the Agency.

## **6. Monitoring, Review and Evaluation of Contract**

- 6.1 To ensure the quality of delivery and performance of subcontracted delivery, regular performance review meetings will take place between the nominated subcontractor manager and representatives of the subcontractor. These meetings will take place on a minimum of a termly basis but may be more frequent, depending on the nature of issues identified during meetings, through audit processes or through any other measures by which the performance of a subcontractor is assessed.
- 6.2 In addition to these formal review meetings, a variety of approaches will be used to monitor the delivery of provision under any subcontract, including data reviews and other reviews of records, regular dialogue via email, telephone and face-to-face visits and interrogation of learner / employer voice surveys that will continue to be carried out by RALSS.
- 6.3 The overall performance against the terms of any contract will be determined by the outcome of the formal performance review meetings, taking into account the response of the subcontractor to identified actions and agreed measures. The outcome of audit processes, performance against contract financial profiles and KPIs and rates of user satisfaction will also be taken into consideration and will inform contract renewal processes.

## 7. Policy Review

7.1 The Policy will be reviewed on an annual basis or when significant changes in the Funding Rules occur, as required. Changes will be notified to all subcontractors immediately.

### Amendment History

Date	Reason for Amendment
Sept 2020	Initial draft v1.0
Sept 2021	Annual review

Adult Learning Manager