

Subcontractor Supply Chain Fees and Charges Policy 2019-20

1. Introduction and Background

- 1.1 West Nottinghamshire College (the College) recognises the importance of meeting the diverse needs of employers and learners across the markets that we serve. In order to meet these needs, the ability to engage and work in strategic partnership with high quality training organisations enables the fulfilment of our aims and objectives and provides employers and all learners with high quality training provision.
- 1.2 To comply with Education and Skills Funding Agency (the Agency) standards and requirements, the College are required to provide information to support accountability and transparency in the management and distribution of public funds, specifically in relation to subcontracted activity.
- 1.3 The College is committed to delivering outstanding standards of teaching and learning and to provide a broad offer of learning opportunities and choice to all employers and learners.
- 1.4 In support of this aim, we enter into both subcontracted arrangements and joint delivery arrangements with a number of organisations.

2. Provision of Services to Support our Supply Chain

- 2.1 When working with subcontracted organisations, all learners are College learners and the College retains overall responsibility for this delivery. To meet it's obligations the College retains a proportion the funding earned from the Agency, passing on a share of the education funding to the subcontractor. The Colleges seeks to ensure that the support and funding provided consistently meets its commitments to training delivery of the highest standards.
- 2.2 Learners on sub contracted provision are the College's Learners, should a partner fail financial or withdraw from providing training the college will use its best endeavour to enable learners to complete their programme where this is practical. Appendix 1 is the contingency plan that will be applied if a partner fails.
- 2.3 The funds retained are applied collectively for the provision of the following :
 - Development and investment in the College's educational offer via a targeted 8% EBITDA, as recommended by the Further Education Commissioner
 - Data delivery, compliance review and transmission.
 - Provision of data capture and transmission technology to speed up data collection.
 - Regular review of sub-contractor capability and monitoring.
 - Provision of and access to a common E-portfolio tracking software system.
 - Provision of and access to initial assessment, diagnostic and learning resources to support learners to improve English and maths skills.
 - Quality assurance processes including observation and self-assessment support.
 - Contract provision and management.

- Regular subcontractor review.
- Monthly management information and payment schedules supported by defined payment dates.
- Subcontractor development and best practice sharing forums and conferences
- Celebrating achievement events.

3. Funds Retained in 2019/20 –

- 3.2 For all activity rolled over from 2018/19 and starts upto 31/10/2019 the rates previously agreed in 2018/19 will be retained for each sub - contractor.
- 3.3 For all starts post 31/10/2019 20% will be retained by the college to reflect its role in supporting the provision of its subcontracted learners.
- 3.4 The College will monitor the cost further in 2019/20 to confirm if this estimate reflects the cost of supporting sub contract provision.

4. Additional Charges

- 4.1 The College levies fees by reference to its own risk based approach to the cost of managing and monitoring the subcontractor provision:
- For new providers the College will charge for the initial due diligence check.
 - For existing providers, where the college notifies the sub-contractor of areas of significant concern it will charge for
 - Any administrative work to recheck the accuracy of information supplied as part of enrolment and confirmation of learning or accreditation.
 - Any outside agency it employs it employs to review information provided.
 - Any additional visits that are made above normal expectations, to monitor enrolment process, recording of attendance, quality of teaching and award of qualifications or End Point Assessments.
 - All of the above will be at cost plus a 20% contribution to overheads and EBITDA.
 - Providers with a track record of quality delivery evidenced by relevant success rates. or Ofsted rating are likely to require less support and may receive a lower fee.
 - Fees will be in the range of 10-30% subject to agreed performance targets being met.
 - The risk assessment will be based upon an assessment of the financial health, capacity to deliver, capability and quality of provision.

5. Payment of Funding to Partners.

- 5.1 The importance of ensuring the timely transfer of funding to support delivery to the College's sub-contracting provision is recognised in this policy. This is an important part of ensuring a quality experience for the College's Learners.
- 5.2 For starts prior to 1/11/2019 arrangements in 2018/19 will continue.
- 5.3 For starts from 1/11/2019 the process in points 5.4 to 5.11 will apply.
- 5.4 The basis of payments will be the monthly funding report submitted to the Agency.
- 5.5 For programmes of 3 weeks or less, data will be entered onto the ILR when all required information to confirm the funding of the programme is received. This includes initial guidance, enrolment documentation and registers confirming attendance (covering the full period of the programme).

- 5.6 For Long programmes over 3 weeks data will be entered onto the ILR when all required information to confirm the funding of the programme is received. This includes initial guidance, enrolment documentation and registers confirming attendance (covering the first 3 weeks period of the programme).
- 5.7 For long programmes it is important to ensure that the continued participation of learners on the programme, identifying withdrawals on a timely basis to reduce the risk of incorrect claims for funding. The college will request this information on a monthly basis, including any revision to the expected end date.
- 5.8 Where this is not provided, the transfer of funding on these individual learners will be suspended.
- 5.9 Funding is not finalised until confirmation is received annually from the ESFA following the submission of R14 funding return and any in year funding audits. To represent this risk 10% of the payment to sub-contractors will be retained until the annual funding position is confirmed. If the College receives any % adjustment to its whole funding claim this % adjustment will be applied across partner delivery funding.
- 5.10 Where any specific learners are identified as ineligible or incorrectly claimed this funding will be removed from the partner funding.
- 5.11 The college will make a payment to subcontractors with 30 days of the submission of each ILR to the ESFA. The 10% holdback will be paid within 30 days of receipt of funding.

6. Advantages of working as a subcontracted partner with West Nottinghamshire College

6.1 Our subcontracted partners will benefit from the College's wealth of knowledge and support to meet the needs of employers and communities. Typically, a delivery subcontractor with the College will receive the following:

- Monthly (for all new subcontractors) quality meeting, moving to bi-monthly/quarterly review based on the needs and requirements of the subcontractor.
- Experienced staff as a point of call and support to enable the subcontractor to contact the College for any questions and queries relating to their provision, funding arrangements and quality improvement.
- Access to the College's provider portal which provides a single point of entry for learning materials, compliance documentation, Quality Assurance documentation and other resources.
- Invitations to the College's support programmes such as Safeguarding, Prevent and E&D training, best practice sharing conferences and other sector specific events.

6.2 In addition to the direct support, the College provides a broad range of management information and performance reports to support the effective and timely delivery to learners and employers and to monitor performance against agreed targets.

6.3 Learners will be informed through communication by the subcontractor and documentation used that their training is being delivered on behalf of West Nottinghamshire College.

7. Financial Health Assessment of the Provider

7.1 The College undertakes a financial health assessment of all of its delivery subcontractors. This is to mitigate the risk to learners their employers and the College in the event of subcontractor failure.

7.2 All delivery subcontractors are required to register and pass the SFA Register of Training Organisations (RoTO or RoATP) prior to a contract being set in place.

- 7.3 In making an assessment of the financial risk of the proposed delivery subcontractor, it may be necessary to request additional information which is not available in the public domain. Any information provided to the College will be treated in confidence.
- 7.4 The College will only contract with a delivery subcontractor who, in its opinion, have sufficient financial resources to carry out the contract proposed at the standard acceptable and for the duration required.
- 7.5 College will use a Credit Agency to provide a minimum six monthly check of the financial strength of the subcontractor.

8. Delivery Subcontractor Accountability

- 8.1 In some circumstances, further investigations of the delivery subcontractor would be undertaken if the following events occur:
- Ofsted has awarded the delivery subcontractor inadequate for leadership and management.
 - Any irregular financial or delivery activity arises.
 - Sanctions are placed on the subcontractor by an awarding organisation.
 - Non-delivery of training.
 - Negative or adverse feedback received from learners.
 - Ongoing non-compliance with data exchange and information requirements.

9. Reporting Subcontracting Arrangements

- 9.1 The College will regularly declare to the Education Skills Funding Agency the value and volume of subcontracted provision committed including a declaration of the individual providers under contract via the subcontractor declaration.
- 9.2 Annual payments to subcontractors will be recorded on the College website, following completion of the R14 funding return and confirmation of the annual funding from the Agency.
- 9.3 Annual payments will be provided to the Agency

10. Review of this Policy

- 10.1 This policy will be published on the West Nottinghamshire College website as required by the Agency. The policy will be reviewed annually to ensure compliance with Education Skills Funding Agency funding requirements.

Approved for and on behalf of West Nottinghamshire College by:


Chair


Principal and Chief Executive