

## Supply Chain Fees and Charges Policy 2019-2020

---

### Aim

This document sets out the College's sub-contracting fees and charges policy. It details our contribution to improving quality, how we will go about working with subcontractors and details what and when we will pay.

### Why do we Sub-contract and work with partners?

Government describes Community Learning as having 4 strands:

1. **Personal and Community Development Learning (PCDL)** - learning for personal and community development, cultural enrichment, intellectual or creative stimulation and for enjoyment (in most cases not leading to a formal qualification)
2. **Family English, Maths and Language (FEML)** - learning to improve the English, language and maths skills of parents, carers or guardians and their ability to help their children
3. **Wider Family Learning (WFL)** - learning to help different generations of family members to learn together how to support their children's learning.
4. **Neighbourhood Learning In Deprived Communities (NLDC)** - supports local Voluntary and other third sector organisations to develop their capacity to deliver learning opportunities for the residents of disadvantaged neighbourhoods

In the College's Community Learning and Skills plan we describe our strategy to sub-contract with community-based organisations working with disadvantaged groups. We're committed to working with Voluntary and Community Sector/Not for Profit organisations to help co-find their activities. This provision will contribute to the delivery of NLDC and PCDL strands.

Internally we will work with a range of partner services (internal to the Council). This provision will contribute to the delivery of FEML and WFL strands.

New Directions College (NDC) recognises the need to offer as diverse range of provision as possible, in as cost flexible and cost effective way as possible.

We acknowledge the following benefits by adopting this approach:

- A more diverse and specialist offer is available
- We can ensure value for money by encouraging co-investment

- Increased participation
- Access to different community groups i.e. more representative of local community
- Able to support/compliment corporate initiatives/priorities e.g. Poverty and Homelessness
- Hub and spoke model results in increased access to Community Learning
- Increased Poundplus (value added) i.e. volunteers
- Develops capacity/infrastructure
- Less likely to duplicate provision already offered.

### **How do we implement this policy?**

Our funders the Education Skills Funding Agency (ESFA) specify that we must publish a subcontractor and partner fees and charges policy and detail how we should go about maintaining our contractual compliance. All government funded activities are subject to OFSTED Inspection.

### **How do we commission?**

NDC carries out a 3 yearly commissioning process to engage with its sub-contractors. Bidders apply via the Council's electronic tendering system called 'Intend'. Refer to appendix 3.

The opportunity is advertised on the south east business portal - <https://www.businessportal.southeastiep.gov.uk>, New Directions website [www.newdirectionsreading.ac.uk](http://www.newdirectionsreading.ac.uk) and to the members of the Reading Community Learning Network (RCLN).

A panel comprising of council officers including representatives from New Directions, representatives from Reading Borough Council and Voluntary and Community Sector (VCS) organisations score all bid applications.

Decisions are approved by the College's governance committee the Community Learning and Skills Advisory Board (CLSAB) subsequently a Decision Book is published and open to challenge via a 10 day standstill period.

Partnerships are established internally to Reading Borough council to meet emerging need/help ensure services remain financially viable. These are not subject to a commissioning process as we're all part of the same legal entity - Reading Borough Council.

The Principal may also decide to award pilot sub-contracts with organisations who meet the ESFA's requirements. Values of such agreements will not exceed £9999. Awards will be made as part of standing order delegated authority.

**NDC’s role and responsibilities**

NDC is committed to continual improvement in teaching and learning both in direct provision and in its sub-contracted and partner provision. The quality of the provision will be monitored and managed through the same formalised Quality Assurance processes and procedures.

The College’s nominated officer(s) will undertake the management of sub-contracted provision. Our responsibilities include:

- Administration
- Quality assurance and monitoring
- Observations of Teaching, Learning and Assessment (OTLA) with constructive feedback and recommended CPD
- Provision of an MIS system
- Data entry onto the Management Information Systems (MIS) system
- Submitting monthly funding claims to the ESFA
- Management oversight (refer to appendix 2 and 3)
- Curriculum planning advice
- Appointed Single Point of Contact
- Regular meetings including a start of academic year briefing to clarify targets and working arrangements/processes.
- Regular feedback on recruitment targets
- Briefings and information concerning the Ofsted inspection framework
- Ongoing due-diligence checks including Health and Safety.
- Staff training e.g. Prevent and Safeguarding
- Ongoing support, guidance and mentoring.
- This is also a networking opportunity for establishing working partnerships
- Use of NDC’s site in South Reading. Rooms are provided free of charge for sub-contractors and partners.
- Setting local policy and processes
- Undertaking Equality Impact Analysis
- Membership of the Reading Community Learning Network (RCLN). The network’s objectives are as follows:
  - To empower individuals/volunteers to understand what learning is and the opportunities it presents.
  - To improve the planning and joint targeting of funds to disadvantaged and priority groups of learners.
  - To widen participation in adult and family learning.
  - To map Community learning and identify gaps in provision.

- To discuss and influence policy for the delivery and monitoring of funded Community provision in and around Reading.
- To promote best practice in adult and family learning by providing a platform for reviewing activities and highlighting concerns.
- To develop an Adult and Community Learning Plan for Reading which involves providers of Adult Learning sharing good practice and quality improvement activities.
- To ensure that there is a clear relationship between the partnership and the delivery of local sub regional strategic partnerships.
- To engage as wide range of agencies and organisations in thinking about the activities they offer as learning.
- To review collective performance over the year in ensuring there is a wide range of high quality, challenging and inspiring Community provision locally, and begin to form a view on the impact and social and economic value of such provision.
- To monitor and discuss the success of the reforms using national and local indicators and begin to consider a range of local indicators.

#### **Other relevant policies, procedures or documents**

ESFA adult education, budget, funding and performance management rules 2019-20

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/838580/AEB\\_2019-20\\_rules\\_Sept\\_Draft\\_version\\_3\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/838580/AEB_2019-20_rules_Sept_Draft_version_3_.pdf)

OFSTED - Further Education and Skills Inspection Handbook

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/822103/Further\\_education\\_and\\_skills\\_handbook\\_July\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/822103/Further_education_and_skills_handbook_July_2019.pdf)

#### **Where to find this procedure:**

On the College website: [www.newdirectionsreading.ac.uk](http://www.newdirectionsreading.ac.uk)

#### **Review and update arrangements**

This procedure is reviewed annually by the New Directions Senior Leadership Team (SLT) and approved by the Community Learning and Skills Advisory Board (CLSAB)

Date of Review: August 2019

To be reviewed: August 2020

**Funding and Fees**

The ESFA publish details of funds awarded to training providers - <https://www.gov.uk/government/news/esfa-funded-adult-education-budget-2019-to-2020-illustrative-allocations-issued>

Strategically the College will not commission more than £99,999 as the ESFA would place additional requirements upon New Directions if this amount were exceeded. This would incur additional cost and divert funds away from learning.

We have based our non-formula Community Learning fees upon the Single Activity matrix methodology as set-out by government. Therefore we pay between £37 and £55 per unique learner. An analysis of actual delivery was used to inform these rates. Please refer to appendix 1.

In summary NDC’s Community Learning funding allocation was used as follows:

Delivery	Percentage of Funding
<p><b>In-house delivery and expenses including:</b></p> <p>Operating a dedicated Community Learning site in a deprived neighbourhood.</p> <p>Staffing with responsibilities for Quality Assurance and Contract Management.</p> <p>Direct Delivery including running and operating a Pottery Studio; Pottery Technician and Pottery Tutors.</p> <p>Maintaining other specialist facilities such as Food Technology classroom, ICT classroom and Fashion/Sewing studio.</p> <p>Resources and materials and equipment maintenance.</p> <p>Associated teaching costs.</p> <p>Provision of ILR database and associated data entry.</p>	<p>90%</p>
<p><b>Subcontracted and partner delivery</b></p>	<p>10%</p>

## Payment

The Council accepts an element of risk as it acknowledges that small organisations will begin to incur costs. All subcontractors will invoice for 50% of the funding awarded as soon as they confirm delivery has started and have supplied the required evidence. Partners will receive a single payment at the end of the academic year. Please refer to appendix 3.

At the end of the academic year the balance (50%) may be invoiced for payment, provided the specified evidence has been supplied on time. The payment can only be actioned if:

- Enrolment numbers of unique learners against targets are confirmed by the College
- All conditions as specified in the tender and subsequent due-diligence activity are met e.g. RARPA documentation has been submitted

If it becomes apparent that a subcontractor may not be able to reach their target as part of the in-year on-going monitoring of learner recruitment, other existing subcontractors and partners will be given the opportunity to exceed their target and receive additional payments for over delivery.

The payment will be made as a grant and hence zero VAT rated, therefore subcontractors should not add VAT to their staff or services.

Reading Borough Council will pay 30 days from invoice date.

**Appendix 1 - Sub-contractor and Partner Summary**

All of the subcontractors/partners listed below are directly contracted by Reading Borough Council t/a New Directions College for the academic year 2019-2020. In May 2017 NDC commissioned for 3 years for the academic years 2017-2018, 2018-2019 and 2019-2020.

For the academic year 2019-20 NDC has contract management responsibility for 8 VCS organisations and 3 internal partners as detailed below. Since the commissioning process took place 5 sub-contractors/partners have ceased delivery or had funds awarded withdrawn.

In August 2019 letters were issued outlining key targets and performance indicators for the year and key changes to processes and procedures were communicated. In September sub-contractors/partners attended a Start of Year Briefing.

Sub-Contractor (External Organisations)	£ per learner	2017/18 Target	2017/18 Actual reached	2017/18 Payment	2018/19 Target	2018/19 Actual reached	2018/19 Payment	2019/20 Target
Autism Berkshire UKPRN - 10000652	£50	80	96	£4,800	100	99	£5,000	100
Compass Recovery College UKPRN - 10054800	£50	130	219	£10,950	200	53	£2,650	200
GRAFT Thames Valley UKPRN - 10022544	£50	80	87	£4,350	100	97	£5,000	100
Groundwork South/auto skills UKPRN - 10006826	£50	50	No delivery		N/A	N/A	N/A	N/A
Mapis Project	£50	80	19	£950	20	14	£700	20

UKPRN - 10038057								
Reading Community Learning Centre UKPRN - 10035292	£50	170	165	£8,250	150	133	£7,500	141
Readipop UKPRN - 10041474	£50	180	214	£10,700	180	163	£9,000	180
Reading Your Way (now Berkshire West Your Way) UKPRN - 10021516	£50	30	15	£750	30	14	£700	N/A
Utulivu UKPRN - 10062249	£50	40	23	£1,150	20	0	0	20
WEA - branch UKPRN - 10007364	£37	250	187	£6,919	250	233	£9,250	N/A
	<b>Total</b>	<b>1090</b>	<b>1025</b>	<b>£48,819</b>	<b>1050</b>	<b>806</b>	<b>£39,800</b>	
<b>Partners (Internal)</b>								
Reading Libraries	£37	300	250	£9,250	350	190	£7,030	350
Children Centres	£55	702	682	£37,510	702	667	£36,685	850
Environmental Health Licencing and Food Safety	£37	30	29	£1,073	80	13	£481	N/A
Reading Sport and Leisure	£37	100	110	£4,070	100	101	£3,737	100
Drug and Alcohol Team	£55	20	10	£550	N/A	N/A	N/A	N/A
	<b>Total</b>	<b>1152</b>	<b>1081</b>	<b>£52,453</b>	<b>1232</b>	<b>971</b>	<b>£47,933</b>	
	<b>Grand</b>	<b>2,142</b>	<b>2,106</b>	<b>£101,272</b>	<b>2282</b>	<b>1,777</b>	<b>£87,733</b>	



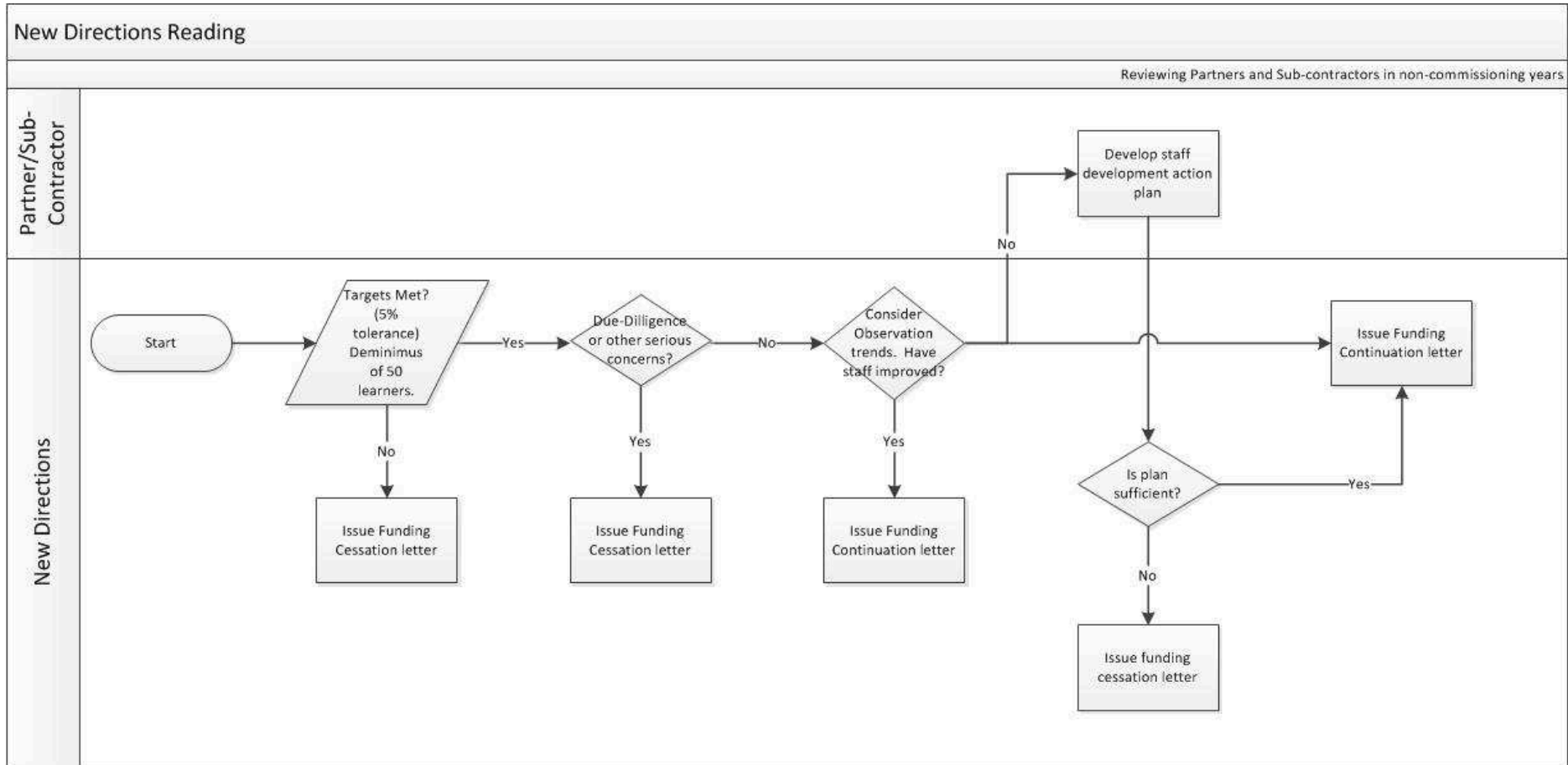
	<b>Total</b>							
--	--------------	--	--	--	--	--	--	--

New for 2019-20 are two pilot sub-contracts for regulated accredited learning with:

- The Berkshire School of English - Total value not to exceed £9999. Funding will be paid at published funding values less 20%.
- MAPIS Project - Total value not to exceed £9999. Funding will be paid at published funding values less 20%.

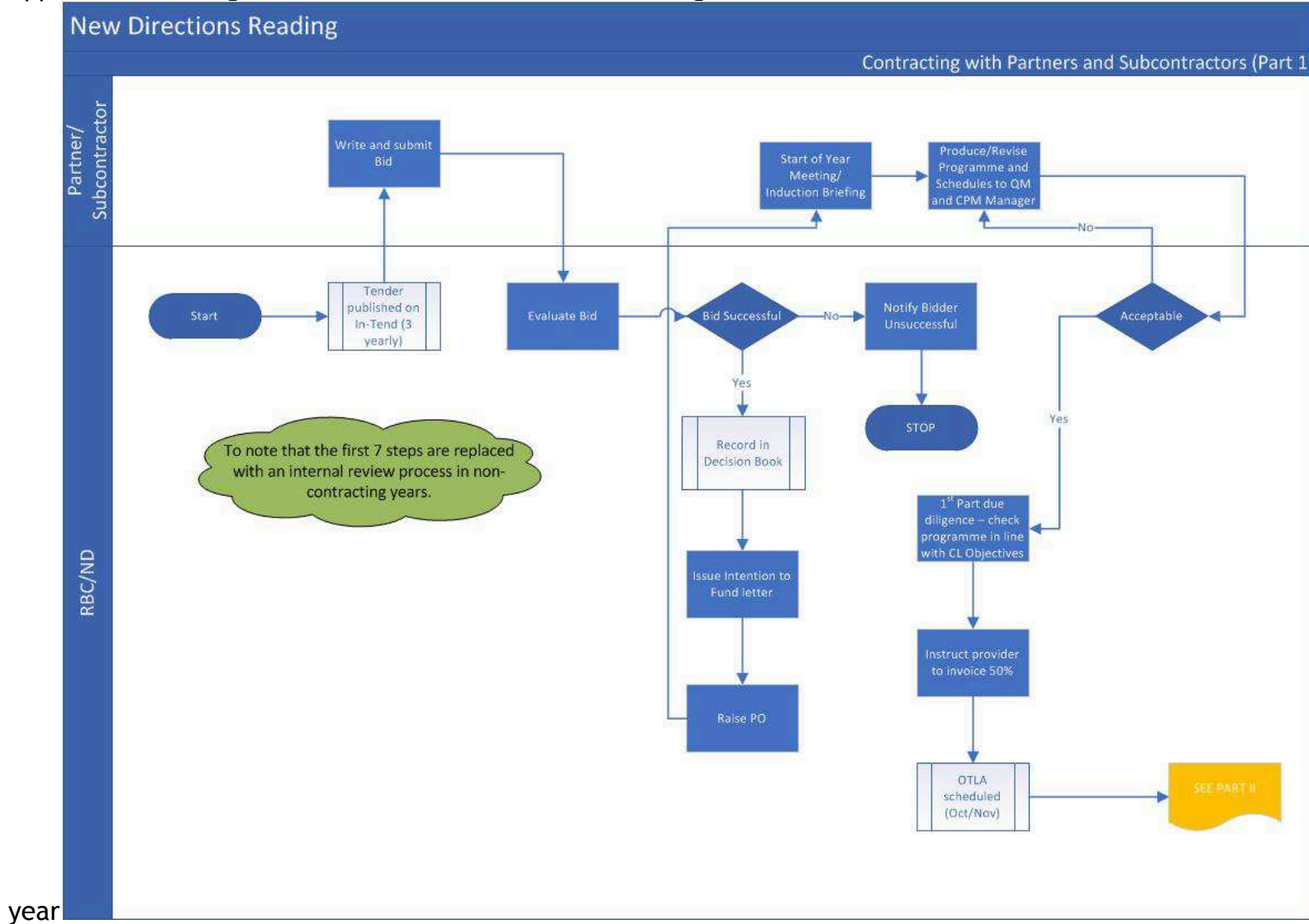
These Awards were made as part of standing order delegated authority by the Principal.

Appendix 2 - Management Process overview non-commissioning year.





Appendix 3 - Management Process overview commissioning



year

