

LONDON BOROUGH OF WALTHAM FOREST

ADULT EDUCATION BUDGET (AEB) SUB-CONTRACTING (FEES & CHARGES) POLICY

1. SCOPE

The Council receives an allocation of AEB which it uses to deliver education to residents. It does this in partnership with other local AEB and skills providers. This policy aims to enable the Council to adopt additional flexibilities in how it delivers and works with partners, in order to ensure we maximise this AEB investment for our residents. It applies to all third Party sub-contracted supply chain activities supported with AEB funds supplied by the Education & Skills Funding Agency (ESFA), Greater London Authority (GLA) or any successor organisations.

2. CONTEXT

This policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity. This policy has been written in accordance with the ESFA and GLA requirements as set out in the Adult Funding Rules in the 2022 to 2023 academic year, and any updated rules in future years.

3. DISCLAIMER

The London Borough of Waltham Forest reserves the right to amend its sub-contracting arrangements at any time in accordance with the requirements of the Funding Bodies and the terms and conditions contained in its standard contract for sub-contracted provision.

4. OVERARCHING PRINCIPLE

The Council will use its supply chains to optimise the impact and effectiveness of service delivery to learners. The Council will, therefore, ensure that:

- Supply chain management activities comply with the principles of best practice in the skills sector.
- The Council will at all times undertake fair and transparent procurement activities compliant with the Public Procurement Regulations 2015 (as specified in the Funding Rules), conducting robust due diligence procedures on potential subcontractors to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on the lives of learners.
- The funding that is retained by the Council will be related to the costs of the services provided. This will normally be 20% of the total contract value and will be used to pay for contract management services required of the council to manage subcontractors, monitor performance, and support them in taking any corrective actions.
- Contract documents will be clear and transparent ensuring that subcontractors are clear on requirements. This will support effective contract monitoring, early identification of variances to agreed profiled activity and reasonable time to undertake corrective action.

5. RATIONALE FOR SUB-CONTRACTING

The Council engages with sub-contractors:

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- To ensure that the Council is able to ensure that AEB investment into the borough is maintained and effectively reaches residents for whom it is designed to help
- To bring in specialist provision and providers where we identify gaps and needs
- To bring in subject areas not delivered by the council where there is clear demand
- To widen participation in learning through working with providers to access to learners underrepresented
- To create progression opportunities for learners, particularly to higher levels of learning
- To offer flexibility by delivering provision at times and venues convenient to learners and employers.
- To temporarily expand provision to meet a short-term need such as in piloting new subject areas
- Providing access to, or engagement with, a new range of customers/sectors
- To meet peaks in demand
- To share expertise and provide development opportunities for our staff and those of our subcontractors

The Council's main priorities for sub-contracting are to support:

- Those with basic skills needs
- Those who have low skills or no skills
- Those in work who require upskilling especially where this will result in higher pay and reductions in individual/household poverty
- Better meet employer demand
- Provision requested by Job Centre Plus (JCP).

The council will particularly seek to procure provision that meets one or more of the following criteria:

- meets the needs of residents and employers of Waltham Forest
- supplements and does not duplicate the Council's Adult Learning Service curriculum

6. QUALITY ASSURANCE

The quality of subcontracted provision will be monitored and managed through the existing Adult Learning Service Quality Assurance processes and procedures, including but not limited to the self-assessment and quality improvement planning process. Subcontractors will be expected to provide information that demonstrates the quality of provision delivered for the Council within the scope of the Education Inspection Framework. Normally the Council will only subcontract with providers that are 'good' within the standards set out in the Framework as inspected by Ofsted.

The Council will support sub-contractors to complete the course review and self-assessment process, including quality improvement plans and presentations at Performance Review Boards. It also offers

support as required to share good practice through regular quality reviews, observation of teaching, learning and assessment and learner and employer feedback.

Sub-contractors are expected to hold course centre approvals where appropriate and liaise with Awarding Organisations. Sub-contractors must notify the Council immediately if any Awarding Organisation imposes a sanction on the sub-contractor. The Council will regularly review external moderator reports submitted by sub-contractors and monitors subcontractor's follow-up actions as required.

Sub-contractors will collect, retain and submit to the Council on request all relevant documents and evidence of student activity.

- Where one of the main objectives of the sub-contracted services is to deliver information and advice, the sub-contractor will have to have attained the Matrix Standard Accreditation within six months of the contract being awarded. If the information and advice is embedded as part of the delivery of the services, the subcontractor should work towards achieving the Matrix Standard Accreditation within twelve months of the start of the contract.

7. PUBLICATION OF INFORMATION RELATING TO SUB-CONTRACTING

In compliance with ESFA and GLA funding rules, the Council's sub-contracting fees and charges are a maximum of 20% of the total contract value or achieved draw down of allocation (depending on provider performance).

The fees are charged in order to allow the Council to fulfil its contract management responsibilities that include but are not limited to subcontractors:

- Providing suitably qualified/experienced staff to teach and manage programmes of learning
- Advice and guidance at pre-contract stage and due diligence assessment
- Compliant enrolment processing & support (e.g., provision of paperwork, advice and guidance on student eligibility)
- Data and financial management – timely and accurate processing and submission of data to enable drawdown of funds from the Funding Bodies and analysis to ascertain funding earned by sub-contractor and calculation of attendance, retention, pass and achievement rates
- Provision of regular class lists
- Mandatory training and CPD
- Regular performance review meetings and performance reports from the subcontractor
- Compliance and quality assurance visits and on-going support to address any areas for improvement including announced and unannounced site visits, lesson observations, learning walks, tutor support and quality assurance and administration support

All invoices submitted by a sub-contractor must be supported by documentation as required in the contract. Where there are no issues relating to a sub-contractor's submitted invoice, the Council will endeavour to ensure that the payment of the invoice is made within 30 days of receipt. The Council may undertake a clawback of funding for under delivery or other reasons.

8. MONITORING, REVIEW AND RISK MANAGEMENT

Place Directorate

Strategic Director: Stewart Murray



Any prospective sub-contractor will be required to complete the Council's processes to assess the level of risk should the Council decide to enter a contractual agreement with that organisation. In undertaking due diligence consideration will be given to:

- Previous track record/performance
- Staff qualifications and experience relevant to delivery of agreed programmes
- Results of EQA reports

- Financial standing of the sub-contractor
- Length of sub-contractor's experience
- Contract size with regard to both funding and learner numbers
- Standards of internal quality assurance by sub-contractor
- Previous OFSTED judgement/s
- Profile of learners
- Delivery content and associations with extremist doctrine
- Experience of working with ESFA funding methodology and requirements
- Geographic location, particularly for ESFA funded provision, to ensure provision is not outside of the Council's normal recruitment areas

During the period of contractual agreement, the Council will, on an on-going basis, also monitor the level of risk through:

- Observations of teaching, learning and assessment
- Success levels
- Actual income against contract target funding income.
- Standards of internal quality assurance (both curriculum and administration)
- Learner feedback (at workplace or by telephone or online learner surveys)
- Employer feedback (where appropriate)
- Learner progression

The Risk Factors associated with each sub-contractor will be discussed and recorded at review meetings and, where necessary, actions identified for the sub-contractor to undertake in order to reduce the level of risk. The Council reserves the right to terminate any agreement and may seek recovery of funds particularly where the funding agencies' conditions of funding have not been met or there is any other irregularity or concern.

Sub-contractors are required to have a UK Register of Learning Providers (UKRLP) (<http://www.ukrlp.co.uk>) reference number (UKPRN) and must appear on the Education & Skills Funding Agency Register of Training Organisations. If the sub-contractor holds aggregate Agency funding contracts in excess of £100,000 then they must also complete the Due Diligence Gateway.

Provision funded by the ESFA and GLA must comply respectively with the GLA /EFSA Adult Funding Rules 2022 to 2023 and any updates published by the ESFA/GLA during the year.

Sub-contractor performance will be monitored on an ongoing basis. Feedback on performance will be provided in writing, at face-to-face meetings, by telephone or e-mail. The methods used will be dependent upon the circumstances at any point in time but will normally require the provider to

agree a profile of performance activity over the period of the subcontract. This will be monitored for variances at regular review meetings and corrective actions agreed to ensure profiled or re-profiled activity is maintained. Underperformance may result in a loss of funding.

9. SUB-CONTRACTORS ARE REQUIRED TO ENSURE THAT:

- The Council is provided with Individual Learner Record (ILR) data to accurately reflect the agreed sub-contracted delivery and which complies with GDPR/Data Protection requirements
- The Council and funding agencies (or other bodies nominated by the Council or regulatory or funding agencies) have access to the sub-contractor's premises and all documents relevant to tracking learner's progress, funding claims and any other purpose relating to the agreed sub-contracted delivery
- The Council has access to the sub-contractor's premises to monitor and quality assure the delivery of learning, including interviewing staff and students and directly observing the initial guidance and assessment (IAG) process
- All learners sign a learning agreement at the time of enrolment reflecting the outcome of initial guidance and assessment (IAG) in setting out their learning programme taking any prior learning into account
- The agreed sub-contracted delivery is not further sub-contracted
- Funding for the agreed sub-contracted delivery is not "double-funded", i.e., learners are not funded by the ESFA at any other institution.

10. ADDITIONAL SUPPORT FOR SUB-CONTRACTORS

The Council may decide to provide additional support to subcontractors where this is agreed with them it will improve performance. This will include but not be limited to:

- Additional site visits
- Additional lesson observation
- Additional tutor support
- More rigorous verification
- Additional training

11. ADDITIONAL CHARGES PER LEARNER

The Council may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the sub-contractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from the Council
- Internal Verification

12. COMMUNICATION

This policy will be reviewed in each summer term and updated as required. It will be published on the Council web site for September prior to the start of the academic year in which it will be applied. Potential sub-contractors will be directed to it as the starting point in any relationship.

13. EXTERNAL ASSURANCE

Place Directorate
Strategic Director: Stewart Murray



The Council will undertake external assurance through an independent auditor to review subcontracted delivery controls over all ESFA and GLA funded provision in line with ESFA and GLA guidelines for 2022/23.

A handwritten signature in black ink, appearing to read 'Rob Manning', written over a light grey rectangular background.

Signature..... ..

NameRob Manning.....

Position.....Strategic Director of Resources

Date...03/10/2023.....