

Cheshire West and Chester Council Sub-contracting Policy 2020 - 2021

1. Policy Statement

Cheshire West and Chester Council (CW&C) believe in the value of sub-contracting as a significant methodology for delivering adult education. CW&C contracted providers are recruited on the basis that they are already in the communities where our target learners are; responding to needs in local venues that are comfortable; safe and familiar places for learners providing maximum social value. Through good leadership and management, our central team can deliver this community focused, sub-contracted learning within a robust framework of quality assurance as opposed to the equivalent direct delivery methods, whilst providing value for money. Sub-contracting allows us to respond to local needs flexibly and responsively sourcing as wide a curriculum as possible and targeted at the point of need enabling us to focus on inclusive growth across the borough as a key council priority.

CW&C sub-contracted provision is considered as our own provision and our sub-contracted provider partners are considered as contract holders whose contract compliance, including quality assurance, must be monitored closely by us. It is also provision that benefits from being part of a separate distinct organisation. CW&C does not see these positions as contradictory; instead they work together to bring added value from us as the primary contract holder and the values and operating model of the sub-contracted organisation itself.

Sub-contracting enables us to:

- Engage with the wider community, thus increasing wider participation by attracting learners in their locality.
- Provide a wide and diverse curriculum that can meet the needs of our different target learners including those people specifically impacted as a result of the Covid-19 pandemic.
- Offer flexibility by delivering provision at times and venues convenient to learners and employers.
- Be responsive to learner and employer requirements at the point of time and need
- Ensure greater cost efficiency.
- Engage with new markets.

2. Scope

This policy applies to all supply chain activity supported by funds allocated by the Education and Skills Funding Agency to CW&C. It covers learning and skills provision sub-contracted by the Local Authority and delivered by the sub-contractor. CW&C retains full accountability for overall contract delivery and performance.

3. Overarching Principle

The content of this policy has been developed in line with the AoC/AELP Common Accord and ESFA Funding Guidelines. CW&C will commit to the overarching principle to optimise the impact and effectiveness of service delivery to the end user by:

- Aligning our processes with the [AELP/LSIS Sub-contracting Guide](#) document and Cheshire West and Chester Procurement guidelines.
- Undertaking fair and transparent procurement activities, and conducting robust due diligence procedures aligned to [ESFA - Adult Education Budget Funding Rules 2020-21](#)
- Relating the management fee to the costs of the services provided and endeavouring to explain those services in line with ESFA funding rules for sub-contracting.

4. Sub-contracting Rationale

The CW&C Adult Education team will operate a funding application and appraisal process to comply with Cheshire West and Chester Council and standard procurement procedures using a Dynamic Purchasing System via The Chest, to ensure that the sub-contracting will be in the best interests of all parties. Interested providers can register via [The Chest - Log in](#) on Proactis.

We will ensure that:

1. The proposed delivery is in the best interests of learners and employers aligned to Cheshire West and Chester.
2. The proposed delivery has a clear strategic fit with our objectives and values, including ensuring that provision can be delivered in localities where the need is greatest and where there is demand from local employers.
3. The overarching quality assurance of the provision covered by all contracts awarded meets our standard quality requirements. We have a quality framework including policy statements covering all aspects of the learning process in place for potential sub-contractors to use. All bespoke quality assurance documentation must be approved by us prior to use.
4. There is sufficient staff resource in support areas to administer the processes.
5. The sub-contractor is approved by our due-diligence process.
6. Robust financial management will ensure there is sufficient funding available within our funding contract to meet all contractual obligations and paid out in a timely manner.
7. The sub-contractor agrees to work within the terms of our contract.

5. Improving the Quality of Teaching, Learning and Assessment

Sub-contracted partners will be expected to meet CW&C quality assurance standards, with CW&C being committed to supporting, developing and sharing good practice and professional development of staff through quality reviews, operational cluster meetings, observations of teaching, learning and assessment and collection and use of learner feedback.

Sub-contracted activity is a fundamental part of CW&C's provision. The quality of the provision will be monitored and managed through our existing quality improvement processes including the CW&C Self-Assessment Report and Quality Improvement Plan process, ensuring continuous improvement in all parts of the learner journey.

The quality of teaching, learning and assessment within sub-contracted provision is subject to Ofsted inspection as part of any CW&C inspection of Adult Education.

6. Level of Management Fees

CW&C charges a management fee for all sub-contracted provision ie accredited and Community Learning provision. The level of the fees for each contract is calculated based on the size of contract and the level of support required to successfully manage the contract. The proportion of the fees retained is based upon a nil profit margin. The fees charged reflect the costs involved in maintaining the following four areas, and specific details for each section are contained in each individual sub-contractor's contract appendices:

1. The procurement process:

- a. Tender preparation, posting and appraisal
- b. Contract preparation

2. The management of contracts:

- a. Data receipt, management, analysis and reporting
- b. Partner performance management and payment
- c. Data advice including interpretation of ESFA's AEB Funding Rules
- d. Equality and diversity monitoring and support
- e. Progression monitoring and reporting

3. The Quality Assurance monitoring process:

- a. Implementation of our CW&C Quality Assurance Framework aligned to Ofsted's Education Inspection Framework (EIF).
- b. Teaching, Learning and Assessment observations and support required
- c. Safeguarding procedures including the Prevent Duty
- d. Health and Safety compliance

- e. Policy and practice development
- f. CPD Opportunities and planned training and development
- g. Regular attendance at operational cluster meetings
- h. Certification and registration with awarding bodies, if required and with prior agreement

4. The sub-contracted management information systems:

- a. Supply, hosting and maintenance of the overarching MIS infrastructure
- b. Participation with the development of the Partner Portal (IPMS)
- c. Provision of an online virtual learning environment

When a CW&C Funding Panel has reviewed the Stage 2 tenders and agreed which contracts it intends to offer; a calculation is made to determine the level of management fee to be levied. These costs are calculated against the four main headings specified above and detailed within a sub-contractor contract.

Most of these costs are directly related to the overall cost of managing sub-contracted provision proportionate to the amount of provision being delivered under the individual contract. However, where an assessment of past performance of an existing provider determines that there is valuable provision that requires extra support, we may levy a higher charge to cover this. In addition, if new provision is determined to require extra support, a larger levy could also be charged. These assessments would be taken by experienced representatives from the CW&C Funding Panel. Similarly, where larger costs are levied on providers for the reasons specified above, CW&C will conduct an assessment to see if there are providers whose sub-contracted provision requires less support and therefore a lower management fee charge. CW&C will seek to balance varying costs in line with the overall costs of managing the sub-contracted provision.

7. Payment Arrangements

CW&C Local Authority standard payment terms are 30 days from the date of invoice. Agreed invoice dates are dependent upon delivery type.

Adult Education Regulated and Non-Regulated Provision (Categories 1 & 2)

Invoice values (monthly earning less management fee) will be communicated to partners on the 8th working day of each month and an invoice can then be raised for that value.

Adult Education - Community Learning (Categories 3)

To ensure applications funded do deliver as agreed, actual delivery is monitored by enrolments and Guided Learning Hours (GLH) Contracts are categorised by value and payments are calculated using the following weightings:

Target v Achievement - Payment Calculation Sheet			
Project size weighting (decimal proportion of '1' i.e. 0.66)	Small (<£10k)	Medium (£10,001 - £50,000)	Large (>£50k)
Enrolments Weighting	0.33	0.50	0.67
GLH Weighting	0.67	0.50	0.33

There will be four payments per year as follows:

- **Payment 1** – For contracts <£10,000, 5% of Community Learning MCV at start of delivery (optional) – or for contracts >£10,001, 5% of Community Learning estimated term 1 payment at start of delivery (optional)
- **Payment 2** – Data return 1 used to calculate actual performance and earnings, less Payment 1 = value due
- **Payment 3** – Data returns used to calculate actual performance and earnings, less Payment 1 & 2 = value due
- **Payment 4** - Data returns used to calculate actual performance and earnings targets, less Payment 1, 2 & 3 = value due

Earned values will be communicated to partners who can raise an invoice for that value by quoting the purchase order numbers provided. This methodology will allow partners the opportunity to manage their contract on an annual basis and not restrict them to the termly forecast in their funding application. A mid-year contract performance management review of actual learner numbers compared to targets will take place early February 2021 and contracts may be revised at this point if there is any under-performance. CW&C reserve the right to review contracts at anytime and to issue updated contracts, considering under or over performance at any time during the academic year.

8. Policy Communication

As detailed in section 4 of this policy, CW&C use a procurement system hosted by Proactis and we operate a Dynamic Purchasing System to procure Adult Education. Communication prior to contract is maintained through this system via our Procurement team. Following the Council's Adult Education Funding Panel at stage 2 of procurement, communication continues through the Skills and Employment team:

Communication through the Procurement Process

- Pre-bidding information – posted through ‘The Chest’
- Round 1 bidding to be part of the Adult Education framework of approved providers - Through ‘The Chest’
- Round 2 bidding to provide Adult Education against our tender - through ‘The Chest’
- Notification of success or failure of bids - through ‘The Chest’
- Contracting process including signing of contract – through the Skills and Employment team
- Pre-starting provider contract meetings - with Skills and Employment Team
- Ongoing quality and contracting meetings - With Skills and Employment Team

NB Round 2 bidding may occur at multiple points of the year depending on need. All approved providers are automatically notified of bidding opportunities through The Chest.

9. Policy Review

For openness and transparency, this policy is available in the public domain. The policy is reviewed annually in or before July of each year.

This policy is available on-line at www.cheshireadultlearning.org and can be made available in alternative formats or languages upon request.
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