



**Durham County Council**

**DurhamLearn**

**Supply Chain Fees and Charges Policy**

**2022/23**



**European Union**  
European  
Social Fund

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# Durham County Council DurhamLearn - Supply Chain Fees and Charges Policy

## 1. Purpose

The purpose of this policy is to ensure transparency and accountability in terms of supply chain activity carried out by Durham County Council's DurhamLearn. This is in line with the Education & Skills Funding Agency's (ESFA) mandatory requirement that such a policy is in place prior to any sub-contracting activity taking place in 2022/23.

DurhamLearn award and manage contracts defined by the Public Contracts Regulations 2015.

Contracts for delivery will only be awarded to organisations registered as a legal entity and 'active' on the Companies House database, holding a valid UKPRN and have the financial ability to deliver the requirements of the subcontract.

## 2. Scope

This policy applies to all supply chain activity supported by funds supplied by the ESFA.

## 3. Rationale

DurhamLearn is committed to growing and diversifying the range of courses it delivers, subcontracting to enhance the quality of our learning offer; to widen participation in learning including those in rural areas; target and support those most disadvantaged in the county; engage in new and emerging markets; and respond to the regional and local economic development agenda. We aim to:

- Maximise access to community learning for adults, bringing new opportunities and improving lives, whatever people's circumstances
- Promote social renewal by bringing local communities together to experience the joy of learning and the pride that comes with achievement
- Support learners to develop new skills, increase their confidence, and improve their health and wellbeing
- Maximise the impact of community learning on the social and economic wellbeing of individuals, families and communities
- Provide learning that is inspiring, innovative, flexible and responsive to the needs of County Durham residents
- Develop a distinctive learning offer that complements learning offered by Further Education Colleges and other education providers
- Provide learning activities to enable adults and young people to develop a greater understanding of the world of work, as well as the skills and attributes that employers value
- Develop learning that has clear progression opportunities to further learning and/or employment
- Ensure learners have access to high quality, impartial IAG (Information, Advice and Guidance) and maintain the service's Matrix Standard accreditation
- Promote social inclusion and community cohesion
- Support the development of a thriving, resilient local economy

To maximise the opportunities made available to its learners DurhamLearn contracts with selected sub-contractors to broaden its provision offer across Community Learning and Adult Education Budget Accredited Learning. Additionally, sub-contracting arrangements will be established to:

- Deliver provision required for specific initiatives or projects that DurhamLearn is unable to provide directly
- Respond to specific identified need(s)
- Engage with individuals and/or groups who are excluded from education and training
- Ensure a wide geographic offer

**Community Learning**: the ESFA acknowledges the importance of the local authority community-based delivery model and commissioning which is unique to other delivery providers in the sector. We plan to commission:

- Life Skills/Preparing People for Work; problem solving, critical thinking, communication, decision making, creativity, interpersonal, self-awareness, empathy and coping with stress/emotions
- Budgeting and finance support and guidance to manage money effectively
- Work related skills and personal skills, CV development, interview techniques, job search, personal impact etc, with a focus on progression into work and/or further learning
- Provision supporting learners with additional needs including learning difficulties and/or disabilities to progress into work/further learning.
- Provision that promotes healthy lifestyles and/or positive mental health, e.g. Healthy Eating, Work Fit, Developing Personal Resilience, Mindfulness etc
- Community capacity building provision, e.g. support for volunteers, increasing civic participation, mentoring/peer support and development of digital skills
- Provision to address poverty gaps (including in-work poverty) focusing on employability skills (literacy, numeracy, digital skills), and financial capability
- Intergenerational/Family Learning enabling adults and children to learn together, and thereby helping parents/carers to support their children's ability to learn, focussing particularly on English, Maths and Essential Digital Skills.

**Adult Education Budget** – accredited learning. The Local Authority administers the fund, originally under the Adult Learning and Skills Service and now known as DurhamLearn, to respond to locally identified needs and priorities in line with DurhamLearn's Intent Statement as follows:

Durham County Council's DurhamLearn Intent Statement - We provide high quality inclusive learning to develop the skills of the people of County Durham to improve their employment prospects, their health and wellbeing and thereby support economic prosperity and social inclusion. We provide our learners with advice and guidance so that they progress to further learning and employment. We enhance our learners' knowledge to live and work in modern Britain and be safe from risks of radicalisation.

In order to meet the needs of County Durham's residents particularly, and contribute towards national, regional and local policy developments we plan to commission:

- Functional Skills in English, Maths and Essential Digital Skills (EDS) Qualifications
- Qualifications/courses aligned to the identified sector priorities for County Durham
- Skills programmes targeted at supporting people to adapt to changes in the labour market or those affected by unemployment
- Provision supporting learners with additional needs including learning difficulties and/or disabilities to progress into work/further learning.

- Skills programmes targeted at supporting new business development/self-employment/entrepreneurship, in particular programmes that give them the very specific and practical knowledge, skills and resources to be able to start and run a business.

As stipulated in the ESFA funding rules, DurhamLearn will include the reasons for sub-contracting in the contract with each delivery sub-contractor, along with reference to this policy and details of where it can be found on Durham County Council's website. The Contract will also list all of the services DurhamLearn provide to the subcontractors and the associated costs for doing so, this typically includes:

**Commissioning and Procurement** **2%**

- Carrying out all due diligence processes relating to new sub-contractors
- Carrying out annual due diligence refresher for existing/continuing providers
- Drawing up and agreeing all contracts and amendments/variations
- Providing funding calculations relating to each provider

**Administration** **7%**

- Carrying out internal audits relating to document control
- Creating a centralised location for all delivery partner files
- Ensuring practice is in conjunction with funding regulations, including the escalation of course documentation, back to the sub-contracted provider where information is missing or incorrect
- Providing management information services (MIS) and data control advice
- Inputting learner and course data and submitting monthly ILR claims
- Carrying out administration of Discretionary Learner Support Funds

**Management of Contracts** **11%**

- Carrying out contract and performance monitoring, ie volumes of learner numbers and contract value
- Providing financial management of the contract
- Audit management systems and delivery
- Ensuring all associated paperwork is obtained in a timely manner and made available for curriculum inspection
- Monitoring overall performance of each delivery partner
- Agreeing monthly/staged payments to delivery partner
- Overall responsibility of ensuring every invoice submitted by delivery partners is accurate against ILR drawdown
- Supporting with ESFA funding rules/regulations interpretation and compliance
- Celebrating learner achievement
- Maintaining a Single Central Record of all Disclosure and Barring Service (DBS) checks and sub-contractor staff qualifications and training
- Ensuring that all delivery partner staff are included in any relevant safeguarding, Prevent or other applicable training

**All sub-contractors will also receive additional quality support as illustrated below. This is informed by ongoing risk assessment.**

**4. Quality Assurance of Sub-Contracted Provision**

Additional costs to cover quality monitoring activities and specific support costs are funded through DCC's adult education budget. These cover the cost to DurhamLearn of additional support necessary to ensure the quality of teaching and learning for sub-contracted provision.

The DurhamLearn is fully committed to the continuous improvement of all its direct teaching and learning practices and extends this commitment to all sub-contractors who deliver on its behalf.

Sub-contracted providers are contractually required to meet DurhamLearn's quality assurance standards to promote continuous improvement through monitoring, support and challenge which includes, but is not limited to:

- Quality monitoring visits, which may include 'drop in' visits to sub-contractor delivery premises to check on delivery and speak to learners and tutors
- Scheduled observations of teaching and learning practices (OTLA) for all tutors who deliver the provision
- ALSS quality assurance termly workshop training events
- Regular quality audits on course paperwork including schemes of work, session plans and individual learning plans
- Monthly 'Performance Toolkits', providing feedback and challenge by monitoring provider performance against agreed targets, including targets for participation, retention, achievement and progression
- Reviewing content and completion of provider Self-Assessment Reports (SAR) that feed into the DurhamLearn SAR
- Producing and monitoring a Business Improvement Plan (BIP) that encompasses sub-contracted delivery. Ensuring that actions contained within the BIP are implemented
- Ensuring that learner and employer voice is captured and contributes to quality improvement by analysing data from learner evaluation forms submitted by sub-contracted providers
- Evaluating course reviews

## **5. Sub-Contracting Fees and Charges**

In compliance with the ESFA and other agency rules that apply, DurhamLearn will publish its fees and charges policy on its website, at the start of each academic year and provide this information as part of any commissioning exercises.

AEB Accredited Learning provision and Community Learning are based on different ESFA funding models. Community Learning is grant based in the main while AEB Accredited Learning provision is based on a published funding rate per accredited qualification.

### **5.1. AEB Accredited Learning Adult Skills Provision**

DurhamLearn will charge a management fee that does not exceed 20% of any ESFA published funding rate, from all sub-contracted providers delivering AEB Accredited Learning provision. The fees reflect the cost of the commissioning and procurement process, administration, and management of contracts, see Section 3.

### **5.2. Community Learning**

For Community Learning the fees charged are notional as there are no nationally published funding rates for these courses. However, there is a resource cost to DurhamLearn in supporting all its sub-contracting arrangements - to support the procurement process, plus the ongoing administration, quality assurance and management of the contracts as detailed in Section 3.

Community Learning sub-contractors working with DurhamLearn receive the same high level of support and guidance as all other sub-contractors delivering accredited provision. The fees for the delivery of this support are sourced through DCC's ESFA core grant.

The nature of the Community Learning grant, and the diverse nature of the programmes/groups within the community that may benefit from the activities provided by sub-contracted organisations, are such that not all sub-contractors are paid the same per learning outcome. The payment made is dependent upon the profile of learners and length of the course.

## **6. Support Provided to Sub-Contractors**

All sub-contractors will be supported throughout the duration of the contract. A Contract Officer will be appointed to each sub-contractor and they will be the main point of contact. Effective two-way communication will be promoted at all times and the Contract Officer will arrange meetings outside of the scheduled arrangements to address any issues which may arise.

The mix, balance and level of support for each sub-contractor will vary depending on the specific needs of the sub-contractor and is reflected in the additional charges.

## **7. Payment Arrangements**

For Adult Skills provision, payments are made following ESFA confirmation on the previous month's ILR. The funding value for the month is generated by the ILR, Contract Officers will advise each month what the sub-contractor can invoice for.

Sub-contractors must show evidence of their delivery by submitting on time, the required data and course documentation, as per the course documentation requirements and timelines. Course documentation that is escalated after the cut-off period for submissions will be paid in the next month, subject to validated and accurate re-submitted paperwork being received by DurhamLearn in-line with the course documentation timeline.

For non-accredited Community Learning provision a 10% development fee is issued once the first course is underway, thereafter payment for each qualifying learner will be triggered by the submission of validated closing paperwork and paid in the corresponding month. For learners reaching the funding qualifying period a 70% payment with a 20% achievement for those completing and achieving.

All payments are conditional upon receiving an invoice and any supporting information. Invoices must contain the purchase order number of the associated sub-contract. Payment will be made by BACS within 30 days of the date when the invoice was received.

DurhamLearn expects that sub-contractors will participate in the assessment of accuracy of payments and review remittance advice to ensure there are no inaccuracies, which may delay payments whilst being resolved.

## **8. Clawback**

As the AEB payments are made from the draw down from the ESFA and the Community Learning payments made to qualifying learners, there is no clawback for under delivery; ie sub-contractors are paid on their output. However, should the provision be deemed as unsatisfactory due to quality, continual non-

compliance, or under instruction from the ESFA, we would cease payments with immediate effect until the situation is resolved.

## **9. Policy Communication**

The DurhamLearn Supply Chain Fees & Charges Policy is available on-line at: Durham County Council's Website under Procurement Policy and Strategy

## **10. Policy Review**

The policy will be reviewed at least annually in July/August of each year. The policy is communicated to sub-contractors via commissioning exercises and forms part of any resulting contract with DurhamLearn. Any changes to the policy will be notified to sub-contractors as part of their regular performance review or via separate correspondence.