



## Southampton City Council

### Adult Education Budget

## Delivery subcontracting fees and charges policy



2018-19

### Reason for subcontracting

Southampton City Council (SCC)'s adult learning service commissions delivery of its Adult Education Budget (AEB) budget to a range of internal and external delivery partners. The process follows the council's Procurement Strategy, the City Council's "Southampton First" policy, and their supporting policies and procedures. Over the last three years, an average of 21% of the commissioned delivery has been directed towards internal delivery partners. The use of external delivery partners enables the service to offer a wide range of courses and venues and make the most of the experience and expertise of many different training providers. It also helps to ensure value for money and a responsive and flexible service to learners.

All externally delivered provision in the 2018-19 academic year is subcontracted under the final year of a four year framework which started in September 2015. The procurement process for a subsequent four year framework (from 1 August 2019 to 31 July 2023) will be concluded by March 2019.

Subcontractors have formal contractual agreements which clearly lay out the rights and responsibilities on both sides of the subcontracting agreement for the full length of the framework. All service providers are invited to bid on an annual basis for funding, usually in April before the start of the academic year. The council's priorities and targets for the coming year are explained in the mini competition and annual orders lay out in detail the agreed delivery for that year.

### SCC's contribution to improving quality of teaching & learning

The service is committed to raising the quality of every learning activity delivered through its subcontracting arrangements. A wide range of formal and informal support is provided for subcontractors in order to achieve this including:

- contract reviews
- observations
- target setting and monitoring
- staff training
- learner evaluation and analysis
- emails, phone calls and meetings with subcontractors as and when requested or necessary.

## Fees retained to manage delivery subcontractors (and how they are calculated)

Southampton City Council makes every effort to ensure as much as possible of the funding received from the Education and Skills Funding Agency (ESFA) is spent on the delivery of learning, the promotion of learning (such as marketing, events, websites) and activities to improve the quality of learning (such as staff training, observations, data analysis and quality improvement). The funding table below shows the planned allocations for 2018-19 and how the management fee for the overall programme is calculated. There is no difference in the percentage fees for different delivery subcontractors (or internal delivery providers), although Adult Skills amounts are calculated slightly differently (the uplifts applied by the ESFA are deducted as a contribution towards the management fee only).

### Funding table 2018-19

AEB allocation – community learning	£425,838
AEB allocation – adult skills	£84,033
<b>Total AEB budget</b>	<b>£509,871</b>

Funding subcontracted (external delivery)	£276,436.06 (54%)
Funding retained (internal delivery)	£87,755.66 (17%)
Funding retained for delivery support costs <sup>1</sup>	£61,700 (12%)
<b>Total funding allocated for delivery</b>	<b>£425,891.72 (84%)</b>
Funding retained from ESFA allocation towards management of subcontracting programme	£103,979.28 (16%)

### Support for delivery subcontractors (in return for fees charged)

The service works hard to form strong partnerships with all subcontractors, as well as facilitating the sharing of good practice and peer support across the range of subcontracted and internal provision. This delivery support includes:

- All data input and data quality control to ensure ILR and data uploads meets ESFA requirements
- Support of The Teaching, Learning and Assessment Quality Assurance Team to undertake observations and provide action plans and support to raise the quality of teaching, learning and assessment
- Support of the Adult Learning Service to manage the contract and associated funding to ensure all ESFA requirements are met

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<sup>1</sup> including training, delivery of quality improvement programme, contract reviews, meeting SFA requirements and ILR and other data management

- Training courses including a contribution towards the cost of tutor training for new, unqualified tutors
- One to one support for teaching, management and administrative staff as requested or identified; this is particularly relevant for new subcontractors
- Support to identify strategic opportunities within and outside the council

Delivery support is available equally to all providers. Greater support is available for new and inexperienced subcontractors, or where existing subcontractors have staff changes, as required.

### **Payment terms and minimum learner attendance**

All funding is paid on a per learner basis and only once they have reached a threshold for attendance. This has been set locally as a minimum of 40% of the planned learning hours for community learning funding; for adult skills funding it is in line with the Education and ESFA's qualifying period for funding as laid out in [Adult education budget funding rates and formula 2018 to 2019](#).

Payments are made in arrears after receipt and verification of all required paperwork. A year-end reconciliation is carried out once all paperwork has been processed for the full academic year. The council may agree to payment in advance in exceptional circumstances. Invoices are paid within 30 days of date of invoice, in line with the council's policy.

### **Communication of policy with current and potential subcontractors**

This policy is communicated to current and potential subcontractors through email, provider meetings and contract reviews. It will also form part of the contract for the new framework. Provider meetings take place each half term, a total of six each year. Contract reviews are mainly scheduled for January and February of each year or more frequently if issues or concerns are raised.

### **Timing of policy review**

This policy will be reviewed annually. If significant or substantial changes are made to ESFA funding or guidance or there are other central or local government changes that may affect it, the policy will be amended in year as necessary.

### **Publication of policy**

This policy can be found on Southampton City Council's website here:

<http://www.southampton.gov.uk/schools-learning/further-learning/adult-education.aspx>

## Contact details

For more information about this policy or other aspect of our provision, please contact us by:

Email [community.learning@southampton.gov.uk](mailto:community.learning@southampton.gov.uk)

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**AEB delivery subcontractor fees and charges for the funding year 2017-18 (contract start and end dates for all subcontractors were 1 August 2017 to 31 July 2018)**

Subcontractor	UKPRN	Funding paid to SCC by ESFA for AEB delivery	Funding paid by SCC to subcontractor	Funding retained in relation to this subcontractor	Funding that delivery subcontractor has paid to SCC for services and support <sup>2</sup>
Alistair Cooke (Bfluent)	10066720	£5,247.77	£4,050.00	£1,197.77	£729.00
Brighter Prospects Limited	10019015	£53,635.86	£44,659.55	£3,268.51	£8,707.80
Children's Links	10001392	£19,524.82	£17,333.03	£2,191.79	£0
City Life Church Southampton	10034408	£37,295.81	£27,421.09	£5,494.60	£4,380.12
For Life Experiences UK Ltd	10034424	£16,851.00	£12,300.00	£2,337.00	£2,214.00
Itchen College	10003427	£37,169.87	£27,131.29	£5,154.95	£4,883.63
Mayflower Theatre	10054446	£16,554.05	£12,083.25	£2,295.82	£2,174.99
No Limits	10048662	£10,644.37	£7,769.61	£1,476.23	£1,398.53
Southampton City College	10006020	£56,809.16	£41,466.54	£7,878.64	£7,463.98
The Prince's Trust	10005213	£16,988.00	£12,400.00	£2,356.00	£990
TWICS	10007090	£34,087.04	£24,881.05	£4,727.40	£4,478.59
WEA	10007364	£16,344.65	£11,930.40	£2,266.78	£2,147.47

<sup>2</sup> This has been calculated as an overall rate of 18%, applied to each subcontractor regardless of funding stream (i.e. not physically paid to SCC by the subcontractor)

