

Reasons 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 18% 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 2020-21 academic year is subcontracted under the second year of a four-year framework which started in July 2019. This framework was established using a formal, OJEU compliant, procurement process. The service decided who to include after a rigorous quality assessment process to ensure that subcontractors met the high standards set out by SCC.

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.

Allocation of subcontracted funding

Funding for the 2020-21 academic year has been decided using a variety of rationales, as detailed in the Adult Education Budget 1 August 2020 - 31 July 2021 Specification (provided as part of the tender documentation).

Each service provider response to five quality questions was considered and scored individually by the four members of the Adult Education team. The questions covered:

1. Proposed learner target groups
2. The quality of work given to learners
3. Learner progression
4. Adjustments and risk assessments in the light of COVID-19
5. Impact of 2019-20 delivery on plans for 2020-21

A moderation meeting was then facilitated by the Procurement team, resulting in a combined, moderated score for each question, and a ranking for each service provider.

Funding was allocated by considering each service provider in order of their ranking, i.e. the ranking determined the percentage of the funding allocated compared to their bid.

Each service provider's proposed courses were also considered in terms of the criteria in the specification and on how they contributed to the needs of a wide range of client groups across the city:

- Client groups who will either benefit more from the learning offer or who are currently under-represented in our programme.
- The activity meets specified local and/or national agendas where adult learning has been identified as being able to make a strong contribution. These agendas include those that respond to issues raised by the coronavirus/COVID-19 pandemic:
 - Employability skills
 - Mental health and resilience
 - Digital skills

Funding requests far outstripped available funding and additional consideration was therefore given to designing a balanced programme that offers a broad range of subjects at a variety of levels aiming to support those most disadvantaged across the whole city. In many cases this resulted in the choice to offer funding for some, rather than all, requested instances of a particular subject (i.e. to offer funding for 5 instances of a course rather than the 10 requested) in order to be able to offer some funding to a different course or one aimed at a different client group or in a different geographical area. In some cases an overall funding allocation was agreed and, where all the courses proposed were judged to be of equal merit, the Adult Education Service worked with the service provider to agree a balanced delivery programme.

Some courses were not allocated funding because they were judged to either not meet the necessary learning element of the funding (e.g. appeared to be clubs where clients meet to share similar interests but are not necessarily actually learning anything new), or because they failed to meet one of the other requirements of the funding (e.g. courses that either the learner or employer should pay for or there is the potential of other available funding).

Funding table 2020-21

AEB allocation – community learning	£407,827
AEB allocation – adult skills	£117,239
Total AEB budget	£525, 066

Funding subcontracted (external delivery)	£343, 121 (87%)
Funding retained (internal delivery)	£51,193 (13%)
Total funding allocated for delivery	£394, 314 (75%)
5% contingency fund for Covid related costs	£26, 253 (5%)
Funding retained from ESFA allocation towards management of subcontracting programme	£104, 499 (20%)

Management Costs

The Adult Learning service retains 20% of the Education & Skills Funding Agency allocation it receives. This is referred to as the management fee and has been arrived at by a detailed assessment of the costs involved in managing an external delivery partner. This amount ensures that our subcontracting arrangement is a viable delivery option whilst remaining fair to the subcontracted partner.

In order to ensure the high level of quality expected by SCC and OFSTED each subcontractor will receive the same package of support as each of our direct delivery (internal) providers. As an OFSTED good provider there is clear evidence in place that this process is successful in maintaining an effective quality improvement framework and is testament to our excellent learner outcomes, results and experiences.

The services provided throughout the period of the contract are as follows:

Contract Management – each subcontractor will receive a programme of contract support. 20% of the management fee is allocated for this service:

- An annual planning meeting
- An annual contract review meeting and additional support meetings as requested or required
- A minimum of three Provider Meetings across the academic year where the provider network will come together to share good practice, raise issues or concerns and hear important service updates and information. These will be managed and chaired by the Service. (Due to Covid-19, these meetings may not take place or may take place virtually in 2020-21).

- Confirmation of allocation and payment process
- Policies and Procedures guidance including Prevent and Safeguarding Support
- Advice on Government policy
- Full suite of course paperwork and support and training as required for tutors and managers in ensuring accurate completion
- Full tutor pack containing templates of all required paperwork and training, if required, on their completion.

Financial Support – each subcontractor will receive a financial support and payment service. 20% of the management fee is allocated for this service:

- Funding will be confirmed before the start of each academic year and an individual Purchase Order Number issued to each partner
- Returns of paperwork will be made monthly in order to claim funding up to 12 times per year
- After all paperwork has been processed, subcontractors will be informed of the invoice amount
- Electronic invoices must be sent to invoices.only@southampton.gov.uk Payment will be issued by BACS 30 days after receipt of invoice
- Specific financial advice will be provided in relation to SCC processes, AEB funding rules and other ESFA finance policy
- Additional financial support for learner support is available on a case by case basis as determined by the needs of the learner.

Support for Quality of Teaching, Learning & Assessment– each subcontractor will receive quality support through the OTLA and tutor support processes. 20% of the management fee is allocated for this service:

- Whilst Covid-19 restrictions remain, observations and support will be through a mixture of desktop review, telephone conversation and Zoom (or equivalent) activity.
- All tutors delivering the service's programmes will be observed annually with follow-up learning walks and/or professional conversations to capture the impact of any identified actions.
- Access to advanced practitioners to be able to monitor and develop action plans from observation
- New tutors delivering the service's programmes will be monitored by a staff development observation, planned for and supported by provider managers and the lead observer.
- Opportunity to undertake shadow and peer observations to share good practice
- Quality assurance meetings and professional discussions to review curriculum implementation and impact
- Standardisation meetings to ensure a timely, relevant and consistent approach across the service

- One to one and small group training for provider managers and tutors in identified areas.

Data input, monitoring and analysis support – each subcontractor will receive support for both data entry and data analysis. 20% of the management fee is allocated for this service:

- All learner enrolment and course data will be input by the service
- Any errors or missing data will be notified to the subcontractor for follow up
- Additions and corrections will be completed by the service on the subcontractor's behalf on receipt of correct data
- The ILR file will be created and submitted to the ESFA as required
- All in-year data returns will be completed and submitted on the subcontractor's behalf
- Learner and tutor feedback will be collected and input for each subcontractor as applicable
- Individual and overall service targets will be shared with subcontractors including regular analysis of delivery against target as part of the contract review process.

Publicity and Marketing Support – each subcontractor will receive marketing and communications support. 10% of the management fee is allocated for this service:

- Courses advertised online via the Access Southampton Website
- Appropriate courses advertised via the National Careers Service Directory
- All subcontractors able to advertise their courses in the Community Learning e-alert published every two months
- All subcontractors will be invited to take part in annual Adult Learner Celebration Event to promote and celebrate adult learning in the city. (This will be dependent on Covid-19 restrictions)

Additional Support – 10% of the management fee is allocated for this service:

- All data input and data quality control to ensure ILR and data uploads meets ESFA requirements
- Support from the Service to manage the contract and associated support to ensure all ESFA requirements are met
- 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 and funding opportunities within and outside SCC
- 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 <https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rates-and-formula-2020-to-2021>

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.

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

Address Adult Learning Service
Southampton City Council
Ground Floor, Civic Centre
Southampton
SO14 7LF

**AEB delivery subcontractor fees and charges for the funding year 2019-20
(all contracts cover full academic year)**

Subcontractor	UKPRN	Funding paid to SCC by ESFA for AEB delivery	Funding paid by SCC to subcontractor ¹	Funding retained in relation to this subcontractor ²
Alistair Cooke (Bfluent)	10066720	£49,680.69 ³	£35,825.00	£13,855.69
Brighter Prospects Limited/We Can Train Limited ⁴	10019015/ 10085619	£44,990.42	£37,492.02	£7,498.40
City Life Church Southampton	10034408	£37,248	£31,040	£6,208.00
Cooperative Assistance Network	10028405	£1,440	£1,200	£240
Itchen College	10003427	£40,971.44	£37,399.29	£3,572.15
Mayflower Theatre	10054446	£20,504.47	£16,202.83	£2,437.59
Mencap	10082032	£11,206.32	£9,338.60	£1,867.72
No Limits	10048662	£1,958.40	£2,232	£446.40
Southampton City College	10006020	£77,803.26	£64,836.05	£12,967.21
TWICS	10007090	£16,519.20	£13,766.00	£2,753.20
WEA	10007364	£26,974.56	£22,478.80	£4,495.76

¹ This amount is the actual amount paid to the subcontractor including additional payments made for ongoing support for learners during lockdown, in line with ESFA guidance

² This amount is the management fee, set at 20%. Funding retained for individual subcontractors may vary from this due to different calculations for the two funding streams and the impact of additional payments due to the Covid-19 pandemic.

³ Includes delivery above agreed contractual amount; not all was funded or will be covered by final ESFA reconciliation

⁴ Contract novated to new provider mid-year