Sheffield City Council Lifelong Learning Skills & Communities

Supply-Chain Fees & Charges Policy 2017-18

Adult Education Budget (AEB) and Apprenticeship Funding

The following policy relates to the supply chain arrangements, fees, and charges applied by Sheffield City Council, Lifelong Learning Skills & Communities to its sub-contracting arrangements with regard to Education and Skills Funding Agency (ESFA) funded delivery.

Reasons for Sub-Contracting

Sheffield City Council undertakes sub-contracting of provision for the following reasons:

- To ensure that Sheffield has a wide ranging offer of learning and training which meets the economic, social and academic demands of the city’s population.
- To deliver specialist provision to vulnerable and/or disadvantaged groups.
- To address gaps in provision that cannot be accommodated within its own delivery training centres.
- To ensure employer choice.
- To meet the strategic aims of the Council’s Apprenticeship programme.

Improving Sub-contractors AEB Teaching & Learning, Apprenticeship Training and On Programme Assessment

Sheffield City Council undertakes comprehensive support to sub-contractors to ensure improvements in teaching and learning, apprenticeship training and on-programme assessment that take place over the contracted period. Support provided includes:

- Training and the implementation of peer Observations of Teaching & Learning
- Generic support Workshops & Network Meetings
- Focused quality training sessions
- Teaching & Learning Quality Audits
- Support in the production and review of annual Self-Assessment Report, Quality Improvement Plans, and Teaching, Learning and Assessment Development Plans.
- Preparation support work for Ofsted Inspection
- Support for additional funding bids
Improving Sheffield Council, Lifelong Learning Skills & Communities AEB
Teaching & Learning, Quality of Apprenticeship Training and On - Programme
Assessment

Sheffield City Council undertakes the following activity to ensure improvements in
teaching and learning, apprenticeship training and on- programme assessment that
take place over the academic year.

- The undertaking of Observation of Teaching & Learning and/or Learning
  Walks across all Education and Skills Funding Agency funded programmes
- Training and the implementation of peer Observations of Teaching & Learning
- Focused quality training sessions for teaching and support staff.
- Teaching & Learning Quality Audits
- The production and review of the overall annual Self-Assessment Report,
  Quality Improvement Plans, and Teaching & Learning Development Plans.
- Preparation support work for Ofsted Inspection

Percentage Rate of Fees

In the 2017-18 academic year, Sheffield City Council will retain a management fee of
15%.

The 15% management fee is calculated based on the cost of providing sub-
contractors with contract management, quality assurance, preparation for Ofsted
Inspection support and the processing of monthly ILR data returns to the Data
Service.

Contract Support Received By Sub-contractors

Sub-contractors receive the following contract support from Sheffield City Council:

Regular quality provider reviews covering the following aspects:

- Monitoring of performance (including recruitment against profile where
  applicable, pass rates, retention rates, and achievement rates).
- Records of Observation of Training & Learning and / or Learning Walks
- Contractual changes since the last review.
- Organisational and delivery arrangement changes since the last review.
- Finance – monitoring of payments.
- Advertising and marketing activity.
• Information and paper flows.
• Receipt and use of programme tracking documents
• Safeguarding and Prevent
• Unannounced visits.
• Equal Opportunities
• Health & Safety

Data support is also provided including paperwork briefings, production of management information reports and the submission of funding claims to the Education and Skills Funding Agency.

Regular best practice events delivered to sub-contractors across all programmes.

**Payment Terms to AEB Sub-contractors**

**Payment Process – Delivery of Non Regulated Adult Learning Provision**

• 70% of the cost of each course will be paid at the commencement of each course, on the receipt of **start** paperwork.

• 30% will be paid on the completion of each course on receipt of **end** paperwork.

**Payment Process – Pathway Coordination**

• 50% of the cost of each term’s delivery programme will be on the receipt of **start** paperwork

• 50% will be paid when the term’s delivery programme is complete and an identified outcome is evidenced

**Course Paperwork Submission Deadlines**

• The potential supplier should note the following deadlines for final submission of Community Learning course paperwork to Sheffield City Council in order to ensure payment for delivery.

Courses Delivered in Autumn Term: 5pm Friday 12th January 2018
Courses Delivered In Spring Term: 5pm Friday 20th April 2018
Courses Delivered In Summer Term: 5pm Friday 3rd August 2018
Payment Process – Delivery of Regulated Adult Learning Provision

Payments will be made to suppliers based on the following criteria:

- The delivery of a qualification aim agreed in the contract negotiation process which is listed on the Learning Aims Reference System (LARS) / Learning Aims Reference Application (LARA) / Adult Education Budget funding rates and formula 2017 to 2018 and subsequently included in the potential provider’s contract profile of delivery.

- Payments will be based on the tariffed price per qualification as listed on the Learning Aims Reference System (LARS) / Learning Aims Reference Application (LARA) / Adult Education Budget funding rates and formula 2017 to 2018.

- Payments will be based on actual submission of accurately completed course paperwork, including learner enrolment forms, course registers, qualification achievement evidence, and where applicable learner fee remission evidence.

- Payments will be made on the actual recruitment, learner funding eligibility, learner employment status and learner paperwork submissions. Payments will not be based on profiled starts shown in contract.

- Learners will only become eligible for funding after they have been retained on programme for a minimum of six continuous weeks from their actual start date.

- Payments will be based on actual Adult Education Budget earnings drawn down from the Education and Skills Funding Agency.

- All payments will be subject to the deduction of a 15% Sheffield City Council Management Fee.

- Payments will be made on actual learner earnings at the end of each term. The 2017-18 term end dates are shown as follows:

  Autumn Term     29th December 2017
  Spring Term     6th April 2018
  Summer Term     27th July 2018
• In the event of late submissions of course paperwork or qualification achievement evidence after the 31st July 2018 a final payment will be made to Providers no later than the 31st October 2018.

• Providers should note that 80% of learner Adult Education Budget earnings are secured through learner retention on programme and the remaining 20% is secured through the achievement of the qualification aim.

• Providers should note that all Education & Skills Funding Agency funding is subject to both internal and external audit. Any overpayments identified due to non-compliance will be subject to financial claw back or a reconciliation of outstanding due payments.

Wider Family Learning (WFL) & Family English Maths and Language (FEML)

These elements are directly delivered by Sheffield City Council, Lifelong Learning, Skills & Communities. Sub-contractors are not used to deliver Wider Family Learning and Family English Maths and Language (FEML).

Payment of AEB Invoices

Payments for Adult Education Budget (AEB) delivery are made 30 days after the receipt of invoice. All payments to sub-contractors are made in line with Sheffield City Council payment procedures.
Apprenticeships Pricing / Payment Mechanism / Funding - May 17 onwards.

For apprenticeship commencing from 1st May 2017 and after.

Frameworks and Standards

1. Each month the amount of the Funding to be paid to the Training Sub-Contractor shall be determined as follows:

   Where:

   A = Price less the Purchaser’s 15% management fee
   B = Any end point assessment costs to be met by the Purchaser, up to a maximum of 20% of the apprenticeship standard price
   C = Length of the Apprenticeship in calendar months
   T1 = any Tier 1 deduction in accordance with Part 2 of Schedule 3
   T2 = any Tier 2 deduction in accordance with Part 2 of Schedule 3

   \(((A/100)*80-B)/C\) − T1 or − T2 = the monthly payment of the Funding

2. Where an Apprentice standard attracts an incentive payment from the ESFA the Purchaser shall pay that incentive to the Training Sub-Contractor, without deduction, within three months of receipt from the ESFA. No obligation to pay an incentive shall arise unless and until it is received by the Purchaser from the ESFA and the Purchaser shall have no obligation to pursue the ESFA for any such incentive payments.

3. When the Apprentice achieves the Qualification a further payment calculated as follows will be made:

   Where:

   A = Price less the Purchaser’s 15% management fee
   T1 = any Tier 1 deduction in accordance with Part 2 of Schedule 3
   T2 = any Tier 2 deduction in accordance with Part 2 of Schedule 3

   \(((A/100)*20) − T1 or T2 = final payment of Funding in relation to that Apprentice and Qualification."
<table>
<thead>
<tr>
<th>Tier</th>
<th>Sanction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KPI Fails will attract a percentage reduction in the total payment due for the month in which the KPI Fails are identified by the Purchaser as shown in the table below.</td>
</tr>
<tr>
<td></td>
<td><strong>Number of KPI Fails in a Month</strong></td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3 or more</td>
</tr>
</tbody>
</table>

Training providers will receive a monthly KPI report via Anycomms with the monthly payment summary identifying if any KPIs have been failed and the resulting reduction. Please see guidance on the KPI Challenge Period and Appeals process.

A Tier 1 performance adjustment as set out in the table above shall be over and above any Recovery of Funds.

<table>
<thead>
<tr>
<th>Tier</th>
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</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>A Tier 2 sanction will be applied where concerns are identified about the performance, quality or compliance of a training provider. The following list of examples is not exhaustive:</td>
</tr>
<tr>
<td></td>
<td>• Failure to meet any delivery process requirements</td>
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<td></td>
<td>• Consistently failing KPIs</td>
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<td>• Low success rates in one or more SSAs</td>
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<td>• Slow learner progress</td>
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<td>• Insufficient employer involvement</td>
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<td>• Failure to provide withdrawal, completion paperwork, or notification of the continuation of learning beyond the planned end date, by the end of year deadline. (See KPI 1.3).</td>
</tr>
</tbody>
</table>
In the case of a Tier 2 sanction, a letter will be issued explaining the reason/s for the sanction and that the following will apply:

- No new Orders shall be placed with the Training Sub-Contractor
- All payments will be suspended until the identified issues that resulted in the Tier 2 sanction have been remedied to the satisfaction of the Purchaser
- On successful resolution of the identified issues, payments will be released, minus a 5% deduction applied for each calendar month where the Tier 2 sanction was in place.

A Tier 2 performance adjustment as set out in the table above shall be over and above any Recovery of Funds.

3

Contract Suspension / Termination

In all circumstances provided for by this Contract including, but not limited to, the following circumstances:

- Serious underperformance against KPIs
- Financial or legal irregularities
- Serious issue of safeguarding that have not been identified or addressed by the Training Sub-Contractor
- Serious allegations made by learners or employers. For the avoidance of doubt, termination will only be considered where any such serious allegations are found to be substantiated.
- Failure to meet Due Diligence requirements or to produce evidence as requested by the deadlines required
- Where the Training Sub-Contractor is not able to deliver the learning agreed or does not have appropriate capacity, resources or infrastructure and is demonstrably affecting the progress and achievement of learners
- The performance of the Training Sub-Contractor is significantly below the national average for their sector.
- The Training Sub-Contractor consistently fails to address issues that have been identified by the Purchaser, does not engage in communication, QPRs and does not attend events or complete required documentation on time.
- The Training Sub-Contractor is removed from the Register of Apprentice Training Providers (RoATP).
- The ESFA instruct the Purchaser to cease contracting with the Training Sub-Contractor.

In accordance with the terms of this Contract no new Orders will be placed with the Training Sub-Contractor, existing Apprentices will be transferred to an alternative provider(s) and this Contract shall be terminated.

A formal letter will be sent from the Purchaser to the senior designated person within the Training Sub-Contractor to inform them of the decision made, further action to be taken and the arrangements to transfer the Apprentices to alternative provision.
Skills Made Easy Delivery - Residual Activity

For apprenticeships frameworks commencing prior to 1st May 2017.

- Training Providers will be paid in in-line with the relevant ESFA funding rules, in arrears, with a 15% management fee deduction being made prior to payment.

- Additional financial deductions may be made as set out at schedule 1 of the contract, based on the Training Providers performance against Key Performance Indicators.

Sanctions that will be applied:

<table>
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<tr>
<th>Number of KPI Fails in a Month</th>
<th>Percentage Reduction Applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>2</td>
<td>4%</td>
</tr>
<tr>
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<td>5%</td>
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2 A Tier 2 sanction will be applied where concerns are identified about the performance, quality or compliance of a training provider. The following list of examples is not exhaustive:
- Failure to meet any delivery process requirements
- Consistently failing KPIs
- Low success rates in one or more SSAs
- Slow learner progress
- Insufficient employer involvement
- Failure to provide withdrawal, completion paperwork, or notification of the continuation of learning beyond the planned end date, by the end of year deadline. (See KPI 1.3).

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### Payment of Apprenticeship Invoices

Payments for Apprenticeship delivery are made 30 days after the receipt of invoice. All payments to sub-contractors are made in line with Sheffield City Council payment procedures.
Supply-Chain Fees & Charges Policy: Review & Communication

The Supply-Chain Fees & Charges policy is reviewed on an annual basis and is communicated to both current and potential sub-contractors during the contract negotiation period which takes place in July, August, and September of each academic year.

The Supply-chain Fees & Charges policy is reviewed in June of each year when the final versions of Education and Skills Funding Agency funding and contracting guidance is issued to Sheffield City Council.

The Supply-chain Fees & Charges policy is published on the Sheffield City Council website

SIGNED

...........................................

Job Title: Head of ……... Community Services, Learning & Skills

Date: 21/7/17
## Submission Deadlines for Paperwork

<table>
<thead>
<tr>
<th>Return</th>
<th>Submission Deadline</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>R01 - AUG</td>
<td>24/08/2017</td>
<td>Paperwork submission deadline, four working days before the end of the month.</td>
</tr>
<tr>
<td>R02 - SEP</td>
<td>26/09/2017</td>
<td>Paperwork submission deadline, four working days before the end of the month.</td>
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<tr>
<td>R03 - OCT</td>
<td>25/10/2017</td>
<td>Paperwork submission deadline, four working days before the end of the month.</td>
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<tr>
<td>R04 - NOV</td>
<td>24/11/2017</td>
<td>Paperwork submission deadline, four working days before the end of the month.</td>
</tr>
<tr>
<td>R05 - DEC</td>
<td>22/12/2017</td>
<td>Paperwork submission deadline, four working days before the end of the month.</td>
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<tr>
<td>R06 - JAN</td>
<td>25/01/2018</td>
<td>Submission deadline for achievement paperwork for previous term.</td>
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<tr>
<td>R07 - FEB</td>
<td>22/02/2018</td>
<td>Paperwork submission deadline, four working days before the end of the month.</td>
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<tr>
<td>R08 - MAR</td>
<td>27/03/2018</td>
<td>Paperwork submission deadline, four working days before the end of the month.</td>
</tr>
<tr>
<td>R09 - APR</td>
<td>24/04/2018</td>
<td>Submission deadline for achievement paperwork for previous term.</td>
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<tr>
<td>R10 - MAY</td>
<td>25/05/2018</td>
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<td>26/06/2018</td>
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