



Durham County Council
DurhamLearn
Supply Chain Fees and Charges Policy
2024/25

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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 North East Combined Authority's (NECA) mandatory requirement that such a policy is in place prior to any sub-contracting activity taking place in 2024/25.

DurhamLearn award and manage contracts defined by the Public Contracts Regulations 2015. Changing to the Procurement Act 2023 in for any contracts awarded from October 2024.

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 NECA.

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.

To maximise the opportunities made available to its learners DurhamLearn contracts with selected sub-contractors to broaden its provision offer across Tailored Learning and Adult Skills 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

DurhamLearn's 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.

We will offer you a high quality, positive and safe learning experience that will inspire you, at whatever stage you are on your personal journey, wherever you live in County Durham, and whatever your individual circumstances are, in order to help you achieve your goals.

To support our intent we aim to:

- Maximise access to tailored 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 tailored 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

Tailored Learning: NECA 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 learning programmes to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to:

- ***engage and/or build confidence***
- ***progress towards employment***
- ***improve health and wellbeing***
- ***develop stronger communities***

These innovative learning programmes will support learning outcomes for adults aged 19+ who face a range of challenges/barriers to engagement, progression and/or securing sustainable employment, as such the specified delivery model will seek to address one or more of the seven Purpose Types:

1. Engaging and/or building confidence
2. Preparation for further learning
3. Preparation for employment
4. Improving essential skills (English, including English for Speakers of Other Languages, maths and digital provision)
5. Equipping parents/carers to support children's learning
6. Health and well-being
7. Developing stronger communities

Adult Skills – accredited learning. The Local Authority administers the Adult Skills Fund as DurhamLearn to respond to locally identified needs and priorities in line with the Intent Statement.

NECA state that the Adult Skills Fund “...is to engage adults and provide them with the skills needed for entering and sustaining work, an apprenticeship/traineeship, or other further learning. It provides funding for flexible provision to meet the needs of our residents and businesses and allows us to respond quickly to changes in the labour market and support residents who may need additional support to access learning or employment.”

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 appropriate, innovative learning programmes, up to and including Level 2, to support learning outcomes for adults aged 19+ who face a range of challenges/barriers to engagement, progression and/or securing sustainable employment.

As stipulated in the subcontracting funding rules for post-16 education and training (excluding apprenticeships) 1 August 2024 to 31 July 2025, DurhamLearn will include the reasons for sub-contracting within each contract with each provider, 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 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, i.e. 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 NECA 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 Skills Fund. These cover the cost to DurhamLearn of additional support necessary to ensure the quality of teaching and learning for sub-contracted provision.

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
- Quality assurance termly workshop training events
- Regular quality audits on course paperwork including schemes of work, session plans and individual learning plans
- Monthly performance data
- Termly '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 NECA 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.

Adult Skills provision and Tailored Learning are based on different NECA funding models. Tailored Learning is grant based in the main while ASF Accredited Learning provision is based on a published funding rate per accredited qualification.

5.1. 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 Adult Skills provision. The fees reflect the cost of the commissioning and procurement process, administration, and management of contracts, see Section 3.

5.2. Tailored Learning

For Tailored 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.

Tailored 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 NECA core grant.

The nature of the Tailored 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 as set out in the Pricing Schedule in the tender specifications.

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.

For non-accredited Tailored Learning provision, payments are also made monthly based on completed and achieved learners from the previous month's ILR. Should a learner complete but not achieve 20% of that price per learner would be held back for non-achievement.

All 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.

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 Adult Skills payments are made from the actual draw down showing in the ILR and the Tailored 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 NECA, 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.