

Subcontracting, Funding, Retention and Charges Policy 2024-25



Our Newham Learning & Skills

Part-time adult education

Policy owner: Head of Operations

Next review date: 1/12/2025

Scope

This policy applies to all subcontracting activity supported with funds supplied by the Greater London Authority (GLA) and/or the Education and Skills Funding Agency (ESFA), or any successor organisations. Where a partnership or collaboration is formed, these arrangements should not be confused with subcontracting, and they do not fall within the scope of this policy.

Context

This policy is in place to outline our reasons for subcontracting, the measures in place to monitor the quality of our subcontractors, and our retention of funds and charges. The content of this policy has been developed in line with the GLA and the ESFA Funding and Performance Management rules.

A copy of the GLA funding rules for 2024-25 can be found [here](#).

Our commitment

The London Borough of Newham is committed to providing high quality and sustainable adult learning to improve the social, economic, health and wellbeing outcomes of our residents. We will deliver this through a strategic investment approach: commissioning provision to the best providers in the field and by developing sophisticated evidence based approaches to what we deliver.

We:

- align our processes with the GLA and ESFA requirements,
- undertake fair and transparent procurement activities which demonstrate value for money, and conduct robust due diligence procedures to ensure we commission to the best providers in the field,
- maintain and publish a Funding Retention and Charges Policy that relates the Management Fee (i.e. the retained funding) to the costs of the services provided. A published copy can be found [Here](#)
- clearly document and agree with all appointed providers, the Funding Retained and Charges applied to each subcontract,
- submit any disputes that cannot be resolved between subcontractors to independent outside arbitration or mediation and abide by its findings.

Subcontracting enables Our Newham Learning & Skills (ONLS) to:

- engage with hard to reach learners via partnerships with appropriate community organisations.
- provide a wide range of expertise to meet the skills and learning needs of adults in Newham.
- enable community based organisations to develop the capacity necessary to provide learning programmes to meet the needs of their clients.

Quality assurance

The quality of subcontracted provision is monitored and managed according to the guidance to be found in the ONLS Quality Systems, the GLA and ESFA Funding and Performance Management rules, and the Ofsted Inspection Framework. These documents are supplied to all subcontractors at the start of the contract.

Subcontractors are required to give ONLS sufficient evidence to allow us to assess the subcontracted provision and performance against the requirements of the documents listed above, and the contract.

Improving our subcontractors' quality of teaching and learning

ONLS is committed to continuous improvement across our service, and we include all subcontractors in our quality assurance processes. Subcontractors are supported by the Adult Learning team to maintain the same high quality standards expected across all aspects of the provision.

All subcontracted provision is included in our quality cycle which includes lesson observations and learning walks, observations of information, advice and guidance (IAG), learner feedback, moderation of teaching, learning and assessment, CPD, quality and contract performance monitoring meetings, Quality Review meetings, self-assessment, and shared quality improvement plans.

Supporting our subcontractors

To ensure a high quality standard of provision is maintained, ONLS works closely with and supports all providers that have been subcontracted for delivery.

All contract agreements outline the processes and procedures for our subcontracted provision, as well as the roles and responsibilities for both parties. ONLS provides ongoing support to subcontractors during their contracts.

Setting funding retained and charges

Our standard management fee will be 20% of all formula funded adult skills funding drawn down against the provision to be delivered. This amount represents the costs that we incur in identifying, selecting, managing, and administering all subcontracted provision.

Further charges may be added to the standard fee to cover additional costs that we consider necessary. These costs are usually costs that are necessary to ensure the quality of teaching and learning based on our assessment of risk. Examples of additional costs that may result from a medium or high risk rating are:

- additional site visits
- additional lesson observations
- additional support for delivery staff
- more rigorous verification.

Occasionally, additional costs may result from extra administration or compliance or from the provision of bespoke services by ONLS to the subcontractor (for example provision of resources, internal verification, awarding body fees, student support costs).

ONLS will consider the clawback of funding paid to our providers if there is under-delivery or a specific reason to warrant the recovery of funds paid. This will be in line with contract arrangements and as appropriate to the funding paid and circumstances surrounding the reason for clawback.

Subcontractors are required to:

- ensure learners receive high quality, impactful learning and that high levels of achievement are sustained
- fulfil the requirements of their contract and key performance indicators
- always have suitably qualified and safely recruited staff available to provide the education and training that ONLS funds
- provide access to staff and classes as part of monitoring visits
attend monitoring and contract meetings
- ensure learners are informed of the subcontract relationship with ONLS
- ensure a safe and inclusive learning environment for all learners
- make available on request all forms and other documents, including enrolment forms, associated with the eligibility to study and enrolment of learners
- make available on request all initial assessment documents and ILPs
- make available on request all registers and achievement records
- implement and action a quality improvement plan
- provide complete and error-free ILR data according to the schedule (see below)
- have a contingency plan in place and co-operate with ONLS to make sure there is a continuity of learning should a risk to delivery occur, or if the subcontract ends for any reason
- tell us if evidence of any irregular financial, quality assurance or delivery activity arises. Irregular activity could include, but is not limited to non-delivery of training when funds have been paid, sanctions imposed on the delivery subcontractor by an awarding organisation, an inadequate Ofsted grade, complaints or allegations by learners, people working for the delivery subcontractor or other relevant parties, and allegations of fraud

Assessing risk

ONLS uses the following standard factors to assess the risk rating of each subcontractor:

- evidence of the quality of delivery
- performance against contract and key performance indicators
- type of provision
- contract duration with ONLS and any mid-contract changes
- feedback from learners and/or partners
- qualifications, experience, and training of staff involved in the delivery
quality of physical resources

Providers will be assessed as HIGH, MEDIUM or LOW, and ONLS may implement an additional management charge where needed.

In the event of the subcontractor being unable to complete their contract, ONLS will endeavour to ensure minimum disruption to students whilst alternative arrangements are secured in line with the contingency plans that relate to the contract.

Payment terms

All subcontractor payments will be calculated as a percentage of the funding generated by actual activity recorded in ONLS's Individualised Learner Record (ILR) data and paid within 30 days of receipt of a valid claim for payment. Claims will only be valid when contractors have fulfilled the terms of their contract and dependant on adequate provision of supporting evidence. ONLS will generate a statement of funding earned by a subcontractor against which an invoice can be submitted.

To ensure payment can be made in the correct period, error-free data must be received no later than the last date for subcontractor to submit their ILR. Data that is submitted after this date, or submitted with error, is likely to miss the payment for that month. See schedule below.

ONLS will determine that each cost claimed by a subcontractor is reasonable and proportionate to the delivery and contributes to high quality learning. We do this by:

- requesting course delivery plans which agree a value per course / learner, and are evaluated as part of the award process
- Meet KPIs as part of the quality cycle and contract arrangements
- ongoing review and approval of course delivery plans throughout the contract period

Sharing information with subcontractors, partners and stakeholders

We commit to ensuring that all existing and potential subcontractors have sight of this policy and any other relevant documents as part of the tendering and contractual process.

In compliance with the GLA requirements we publish this Funding Retention and Charges Policy and the ONLS actual subcontracting funding paid and retained on our [website](#).

This policy is reviewed each year, updated as required and published on the ONLS website. All contracted providers are sent a copy of the policy annually at the start of a new academic year.

Subcontractor Contingency Plan

In the event that ONLS needs to withdraw from the subcontract arrangement, the subcontractor withdraws from the arrangement, or the subcontractor goes into liquidation or administration, the steps that ONLS will undertake to ensure provision is made to preserve the continuity of the provision & learners involved are able to complete their qualifications the contingency plan below outlines how we will seek to continue the provision - in order of priority:

1. To seek to deliver the provision directly
2. To seek to deliver the provision through an existing subcontracting arrangement
3. To seek to deliver the provision through a new subcontracting arrangement
4. To seek an alternative provider to transfer the provision to

The steps to outline and manage the implementation of the contingency plan are as follows:

Action	Responsibility
Review Specific Learner Progress	Head of Curriculum
Identify the necessary staff to form a Contingency Implementation Group (CIG)	Subcontractor Management Group (SMG)
Consider the contingencies outlined above & identify appropriate route	Contingency Implementation Group
Consider the contingencies outlined above & identify appropriate route	Contingency Implementation Group
Inform & communicate with learners &/ employers	Contingency Implementation Group
Inform Funding Agency of the change to the subcontracting arrangement	Head of Service

The Subcontractor Management Group and Contingency Implementation Group **:

- Head of Curriculum
 - Head of Quality
 - Head of Operations
 - Data MIS Examination Accreditation Lead
- ** Head of Service and Curriculum Manager – would join where required.