

HLC Supply Chain Fees and Charges Policy 2019/2020

General Overview

HLC were created in 2001 to support the development of Voluntary and Community Sector (VCS) learning providers in the Humber. This provided a conduit by which these often small VCS providers received public learning funds they otherwise would not have received. Provider delivery was supported by HLC administrative and management function which assured funders that activity and evidence met requirements.

This effective approach, with HLC as honest broker, has developed considerably over the last 18 years in terms of, the range and geography of providers we work with (we now work with FE colleges, Local Authorities, VCS and private providers across Yorkshire), the size of funds we manage (we are currently managing ESFA and National Lottery funds of over £20 million), and the increased capacity of our performance, MIS, Quality support and evidence checking systems. This model is extremely effective in responding to learner and funder needs whilst providing the necessary assurance and due diligence in the use of public funds through HLC's effective leadership (graded 2 by Ofsted in October 2015). Although the range of providers continues to change and evolve, we have continued to focus our work on deprived communities and marginalised groups.

HLC's strong Quality and Performance management ethos has resulted in excellent performance across a wide range of ESFA, ESF and National Lottery contracts. HLC works effectively with delivery partners as our Ofsted Report (October 2015) confirms "Managers support subcontractors effectively to provide learning and training to the most disadvantaged groups and communities".

Core Values

- We value collaborative working to enhance the role of our delivery partners in the learning agenda
- We believe our delivery partners are best placed to work with hard to reach learners and make a positive difference to their lives and aspirations
- We believe in a team ethos with everyone working together, supporting each other and valuing the diversity that individuals bring from their own experiences and background
- We believe that the learner should be at the heart of decision-making
- We strive for excellence in all we do

What Contracts Do We Deliver ?

HLC's ESFA funded contracts are ; Adult Education Budget (AEB - which includes aged 19+ Traineeships, and Classroom Learning for the Unemployed), and aged 16-18 Traineeships. Contracted on a yearly basis, recontracting commences in January. Provision is focused on deprived communities in the Humber, with some Traineeship provision in South and West Yorkshire.

We also manage the ESFA / ESF funded Community Grants programme (Grants of upto £20,000 for small VCS organisations to support access to learning) across the Humber and North Yorkshire, working closely with the Humber and York and North Yorkshire Local Enterprise Partnerships and Your Consortium Limited. Regular tendering rounds up to December 2020.

Other Contracts Funded by National Lottery and ESF / YEI Include ;

National Lottery funded 'This Ability' project funded to 2022. This project targets hard to reach 18 to 29 year olds, with a disability or health condition, across the Humber. This project currently has 5 commissioned partners and it is unlikely there will be further tendering for delivery partners in 2019.

ESF / YEI Funded Springboard Programme – Project targets hard to reach 16 to 29 year olds in Hull, especially 'Inactive' across the Humber and already has a range of commissioned partners and it is unlikely there will be further tendering for delivery partners.

National Lottery / ESF Funded Building Better Opportunities Programme – Project targets very hard to reach over 25 year olds, especially 'Inactive' across the Humber and already has a range of commissioned partners and it is unlikely there will be further tendering for delivery partners.

Why Subcontracting ?

HLC's model is predicated on the benefits of partnership working. Other than in National Lottery Funded 'This Ability', we do not directly deliver learning, acting as an honest broker in the procurement of delivery partners and a management function to secure funds and also deliver quantitative and qualitative outcomes. We believe that we can most effectively respond to learner, community and employer needs by working closely with a wide range of quality delivery partners. Our consortia of delivery partners are shaped by funder, learner and employer needs, and is constantly evolving to meet changing local and national priorities.

Quality and Provider Development

We believe that provider quality support and development is the cornerstone to effective delivering of learning, and have invested heavily in this area of work.

Delivery partners will have access to HLC's training and support service which equips providers with skills to deliver outstanding teaching. Services include:

- HLC Training & Development - training seminars delivered by educational experts.
- One to one quality support from the HLC team, including observations of teaching, learning and assessment, SAR development and learning walks.
- Bi-monthly Quality Improvement Network meetings.
- Quality support website with access to a wide range of contract and quality related resources and access to For Skills Assessments
- Peer group support and moderation events
- Sharing best practice events
- CPD for provider staff through HLC funded Provider Development Group

What Support will you receive ?

As well as the above mentioned quality support we will also provide the following support ;

Due Diligence – This is an essential part of HLC's role and we will ensure that we work with delivery partners to ensure they have the capacity to deliver.

Evidence – a well resourced administration team will support delivery partners through workshops, guidance, checklists and 1:1. We also have an Internal Audit team that have led on HLC's last 14 audits with zero funding errors, and they are available to support and advise delivery partners with audit systems and evidence requirements.

Performance – we have to ensure that our overall contracts with funders are delivered, this involves both performance review and management, as well as providing feedback and best practice examples on improving performance, eg, how to increase starts, strong progression routes.

Funding – access to a broad range of funds, and potential to build partnerships to respond to tender opportunities.

Health & Safety and Safeguarding including e safety, Prevent and sexual Exploitation awareness - workshops, risk assessment, guidance and access to template documents and best practice examples.

Equality & Diversity - workshops, specialist input at development events, guidance and access to template documents, training toolkits and best practice examples

Monitoring – HLC will conduct regular monitoring visits based on our evaluation of risk. This not only ensures the learner experience is effective, and we meet contract compliance requirements, but is also an opportunity to discuss development and actions to improve provision and performance.

Management Information / Data Support – HLC have an experienced MIS team who are able to support delivery partners both with technical queries and also report writing using our PICS, Power BI and Proachieve software systems.

What will we charge ?

For ESFA funded provision, HLC charge a range of very competitive rates of between 9% and 20% dependent on the complexity and management time on project(s) you are delivering. These rates are dependent on the risk factor applied to your organisation. Risk will be assessed in relation to 5 key areas : Quality, Performance, Safeguarding including Health and Safety, Claim Evidence and Finances. Any increases or reductions in Management Fee would be determined by these ratings and the subsequent increase / reduction in HLC workload. We will notify Partners one month in advance of any change in their Management Fee. Formal Risk Reviews will be conducted twice per year, with Full Review by end June, and an Interim Review by end January, although we reserve the right to review risk ratings and management fee, at any point during the year. New partners will be risk assessed at the end of their due diligence process.

ESFA funded Adult Education Budget, Apprenticeships, and Traineeships will be charged between 15% and 20% Management fee depending on risk – 15% for a low risk provider, and 15% to 20% for medium / high risk providers. In exceptional circumstances that require extensive HLC support and monitoring, such as, significant audit and quality issues, HLC reserve the right to retain the 5% retention fee, and this may result in a total management fee of up to 25% (including retention fee).

Re ESFA / ESF Community Grants – Management costs of 9% of total contract value are applied.

Re National Lottery / ESF Contracts – these do not attract a Management Fee, HLC are paid on costs of managing the project.

What are our payment terms ?

Once we are paid by our funders, we will pay delivery partners within 30 days on receipt of correct evidence or invoice.

Communication about charging.

We will consult with all contracted delivery partners regarding our charging policy on a yearly basis before agreement and publishing our policy at the start of each academic year. This information will be published on HLC's website at the beginning of August.