

Financial Memorandum Part 2

Schedule X - European Social Fund (ESF) Co-financing

OCT Arrangements

1. Funding

1.1 This schedule records the agreement between THE COUNCIL and [***name of College***] regarding the amount of funding to be paid by THE COUNCIL to the College in respect of the services as described in this schedule.

1.2 THE COUNCIL will pay up to a maximum of £XXX as profiled in Appendix 4 (“Payments Profile”), Version number of this schedule, for the services set out in this schedule and the Appendix 2 (“Delivery Plan”) of this schedule for the period XX to XX. This maximum amount includes any Value Added Tax (“VAT”) or other taxes to be charged. This amount cannot be exceeded.

1.3 THE COUNCIL is generally unable to recover any VAT charged. The maximum sum payable under this agreement, as set out in paragraph 1.2, above includes the cost of the Service and any VAT or other taxes charged.

1.4 Under the provision of Item 5A to Group 6 of Schedule 9 of the VAT Act 1994, the supply of education or vocational training funded by THE COUNCIL, and the supply by the person providing that education or vocational training, of any goods or Services essential to that provision, is considered to be an exempt supply for VAT purposes.

2. Description and Purpose of the Services to be Delivered under this Schedule

2.1 Aim

See guidance on completing the Schedule

2.2 Objectives

See guidance on completing the Schedule

2.3 Delivery Mechanisms

See guidance on completing the Schedule

3. Sub-Contracting

3.1 The College shall not sub-contract the Services specified under this Schedule without the prior written consent of THE COUNCIL. Where consent is given it will be on

the condition that the College enters into a sub-contract, which enables it to meet all the conditions of funding set out in the Financial Memorandum and this Schedule. The College will provide THE COUNCIL with a copy of the sub-contract.

3.2 Where THE COUNCIL gives its consent for the College to sub-contract all or any part of the Services funded under this Schedule, the College shall include a term in the sub-contract preventing any further sub-contracting of the Services.

3.3 Where the College is proposing to sub-contract all (or over 50%) of the delivery of the Services under this Schedule the arrangements must be included in the Co-financing Plan and been cleared by the Government Office.

3.4 Where the College is the lead partner in a consortium where the other partners are not named or where new partners are required, the College should secure the partners through open and competitive tendering. All tendering processes should be fully documented and should be in accordance with the guidance set out in the ESF CO-FINANCE GUIDANCE - (SPRING 2005 Appendix 4.3). THE COUNCIL reserves the right to review the College's tendering processes.

3.5 THE COUNCIL reserves the right to satisfy itself as to the actuality, quality and probity of delivery by sub-Colleges and may require further information about the College's contract management processes.

3.6 The College must ensure that all sub-contracts include terms and conditions and set out the cost related outputs, outcomes, and milestones as provided for in this Schedule.

3.7 The College is responsible for ensuring the reality and eligibility under this Schedule and the delivery of the Services to which the expenditure relates. The College should ensure that there are fair, proper and cost-effective methodologies for the allocation of work to sub-Colleges.

4. Eligibility of Beneficiaries

4.1 General eligibility for ESF beneficiaries is defined in the latest "Applications Guide" from the European Social Fund Division of the Department for Work and Pensions. The Applications Guide can be found on www.esf.gov.uk. All beneficiaries receiving the Services specified under this Schedule must meet the eligibility criteria defined in the Applications Guide as well as the specific eligibility criteria described below.

4.2 The specific eligibility criteria for beneficiaries to receive the Services funded under this Schedule is contained in the Appendix 1 ("Beneficiary Eligibility Table") to this Schedule.

4.3 The College will be required to repay any funding which has been used in respect of beneficiaries who do not meet the eligibility criteria as detailed in this Schedule.

5. Marketing and Publicity

5.1 THE COUNCIL will require the College to undertake approved marketing and publicity of the Services funded under this Schedule.

5.2 The College must ensure that all beneficiaries are aware of the support of the European Social Fund in respect of the Services being delivered under this Schedule.

5.3 The College will comply with requests by THE COUNCIL to display the European Social Fund and European Union logos and emblems on any materials relating to funding by the ESF. THE COUNCIL will make available to the College all relevant European Social Fund and European Union logos and emblems.

5.4 The College must ensure that where the use of logos in a document or other form of communication for promotional purposes is not practicable, the following wording is included: "This programme is part funded by the European Union through the European Social Fund".

5.5 The College must ensure that all beneficiaries are aware of the support of THE COUNCIL in respect of the Services being delivered under this Schedule.

5.6 The College will comply with requests by THE COUNCIL to display THE COUNCIL'S logo on any material co-financed by THE COUNCIL. THE COUNCIL will make available to the College all relevant COUNCIL logos and emblems.

5.7 The College must ensure that where the use of logos in a document or other form of communication for promotional purposes is not practicable, the following wording is included: "This programme is co-financed by the Learning and Skills Council".

6. Development Plan and Annual Planning Review

6.1 THE COLLEGE shall have a Development Plan agreed by THE COUNCIL, which establishes THE COLLEGE'S contribution to the delivery of THE COUNCIL'S Local Plan as defined in "*Planning for Success - a framework for planning and quality, December 2005*". The Development Plan will form part of this Contract.

6.2 The format and content of the Development Plan shall conform to the requirements in THE COUNCIL'S "*Planning for Success - a framework for planning and quality, December 2005*", and any subsequent amendments or guidance issued by THE COUNCIL. THE COLLEGE'S Summary Statement of Activity and Improvement Indicators shall be set out in the Development Plan.

6.3 Where THE COLLEGE has only partially agreed its Development Plan with THE COUNCIL, THE COUNCIL will require THE COLLEGE to make any necessary modifications, in accordance with the arrangements in "*Planning for Success - a*

framework for planning and quality, December 2005 or subsequent guidance issued by THE COUNCIL. New COLLEGES must agree a Development Plan with THE COUNCIL within 6 months of the commencement of this Schedule.

6.4 Failure to agree a Development Plan with THE COUNCIL may invoke clause 13.4 of Raising Standards Clause.

6.5 THE COUNCIL will review and assess the effectiveness of the implementation of THE COLLEGE'S Development Plan, including the achievement of the Summary Statement of Activity and Improvement Indicators, and where relevant progress to meet or exceed minimum levels of performance benchmarks within agreed timescales. The implementation of the COLLEGE'S Development Plan will be formally reviewed through the Annual Planning Review, at which stage refinements and changes to the Development Plan will be formally identified and consequent actions agreed with THE COLLEGE.

6.6 If THE COLLEGE significantly fails to achieve the volumes specified in the Summary Statement of Activity or the Improvement Indicators agreed in its Development Plan, and/or significantly falls short of adequate progress towards minimum levels of performance benchmarks, THE COLLEGE may be regarded as at serious risk of failure to deliver the Services under this part of the Contract. THE COUNCIL will require THE COLLEGE to identify and implement through its Development Plan, decisive actions to address risks and improve the standard of Service delivery within a specified period. This will include the development and agreement of further Improvement Indicators.

7. Documentation

7.1 The College is required to provide evidence to demonstrate the delivery of the Services funded under this Schedule. The evidence requirements are detailed in the Contract Delivery Plan-Appendix 2 to this Schedule.

7.2 Where THE COUNCIL supplies beneficiary related documentation, it must be used. The beneficiary related documentation will be the management information returns to substantiate delivery of the Services, as set out in the Delivery Plan. THE COUNCIL will inform the College which of these beneficiary related document(s) is applicable to their delivery. All beneficiary related documentation (some of which supplied by THE COUNCIL) must be fully completed and submitted by the College, with each **monthly / quarterly return (delete as applicable)**.

7.3 THE COUNCIL will review and agree all evidence relating to beneficiaries that the College will supply in relation to funding under this Schedule.

7.4 The College shall retain all original invoices and management information returns and all other documents necessary to demonstrate the delivery of the Services by the

College or sub-Colleges, in relation to the Services being delivered under this Schedule until 31 December 2014.

8. Monitoring and Evaluation

8.1 The outputs, outcomes, milestones and timescales for the delivery of the Services under this Schedule are detailed in the Contract Delivery Plan. THE COUNCIL will monitor and track progress, in relation to the Services to be delivered under this Schedule against the Contract Delivery Plan.

8.2 The College will confirm progress in achieving the outputs, outcomes, milestones and timescales for the Services specified in this Schedule by completing the sections marked 'Actual' on the 'Outputs' tab, 'Outcomes' tab and 'Milestones' tab of the Co-financing Monitoring Return ("the Return") – Appendix 3 to this Schedule. The Return must be made within 5 working days of the end of each **month / quarter (delete as applicable)** to which the Return relates.

8.3 The College will also complete the sections contained within the 'Monitoring' tab of the Return in accordance with clause 8.2 above.

8.4 THE COUNCIL'S contract manager will carry out **monthly / quarterly (delete as applicable)** monitoring visits unless additional visits are required. Dates for planned visits will be agreed in writing between the parties. THE COUNCIL'S contract manager will use the Return as the basis for carrying out the monitoring visits.

8.5 THE COUNCIL will review the delivery of the Services at the termination of the Contract and will confirm the total outputs, outcomes and milestones delivered by the College.

9. State Aid Regulations

9.1 THE COUNCIL will inform the College, in writing, if the European rules on State Aid apply to the Services delivered under this Schedule.

9.2 Where the rules on State Aid apply THE COUNCIL will supply the College with details of the records that the College will need to collect and retain.

9.3 THE COUNCIL reserves the right to require the College to obtain a contribution towards the cost of the Services delivered under this Schedule from the employer of any beneficiary. Where a contribution is required, THE COUNCIL will confirm to the College in writing the exact percentage of the contribution.

9.4 Where THE COUNCIL requires the College to obtain a contribution towards the cost of the Services under clause 9.3 of this Schedule, the College must provide evidence that the contribution has been received.

10. Service Delivery and Eligibility

10.1 All payments are subject to satisfactory performance and delivery of the specific outputs, outcomes or milestones set out in the Delivery Plan. THE COUNCIL reserves the right to deduct, defer, suspend or recover payments where evidence of satisfactory performance and delivery of the Services in accordance with the Delivery Plan is lacking.

10.2 The College must ensure that all expenditure incurred in relation to the Services funded under this Schedule is deemed 'eligible' as defined by the Applications Guide.

10.3 No payment will be made by THE COUNCIL in respect of any variation to the Services which has not been agreed in writing by THE COUNCIL

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11. Conditions of Payment

11.1 All payments will be made on the condition that THE COUNCIL is satisfied that the Services to be delivered are undertaken in accordance with the terms and conditions of the Contract including the Contract Delivery Plan to the required standard and are supported by satisfactory evidence.

11.2 Payments will be made via BACS, subject to meeting Profile, on the 18th working day of the month.

11.3 THE COUNCIL will assess acceptable evidence **monthly / quarterly (delete as appropriate)** in support of the 'Delivery Plan' from the College in support of the previous month's payment.

11.4 THE COUNCIL will periodically undertake a reconciliation exercise during the delivery of the Services detailed in this Schedule, the frequency of which will be agreed in writing between the College and THE COUNCIL'S contract manager.

11.5 Where actual performance falls below the agreed delivery profile for that period by more than 10%, the COUNCIL reserves the right to suspend further payments under the Contract. This suspension will remain in place until such time as actual performance and agreed profile are in agreement or until a variation to the delivery profile has been made in accordance with clause 11.6 of this Schedule.

11.6 The COUNCIL reserves the right, following discussions with the College and having considered whether The College will be able to meet the agreed delivery profile within in two monthly periods, to vary the delivery profile.

11.7 Any funds overpaid to the College under this Schedule will become repayable immediately on demand from THE COUNCIL.

11.8 The College will maintain separate account codes for the delivery of Services as described in this Schedule. Both input and output VAT will be included as separate items in such accounts.

11.9 The College will be liable to repay any monies amounting to any funds already received from THE COUNCIL, or will be refused payment of expenditure amounting to unclaimed funds if THE COUNCIL is, as a consequence of the College's actions, asked to repay or are refused payments by the relevant Government Office European Programmes Secretariat, or if THE COUNCIL considers:

11.9.1 That the future of the Services to be delivered under this Schedule are in jeopardy;

11.9.2 Progress towards completion of the Services to be delivered under this Schedule are unsatisfactory, or if such Services are not completed by the specified completion date applying to such Services;

11.9.3 The College fails to notify THE COUNCIL of changes to the Services to be delivered: nature, scale, cost or timing that in the opinion of THE COUNCIL are substantial;

11.9.4 The College fails to notify THE COUNCIL of any changes to the outputs, outcomes or milestones, as detailed in the Delivery Plan which have not received prior approval or endorsement by THE COUNCIL;

11.9.5 Any of the information provided by the College in the application or in the progress of the Services to be delivered under this Schedule are subsequently found to be substantially incorrect or incomplete;

11.9.6 The payment of funds is not used for the purpose of the Services specified in this Schedule and/or such Services being paid for out of alternate funds originating from the European Commission. Where double funding is proven to have occurred, the College is responsible for all repayments at the request of THE COUNCIL;

11.9.7 The College owes money to the UK Government or the European Commission in respect of any other projects.

11.10 It is the College's obligation to inform THE COUNCIL immediately and in writing if any of the above applies to the Services to be delivered under this Schedule.

11.11 The College must inform THE COUNCIL in advance of any revenue to be potentially generated as a consequence of delivering the Services detailed in this Schedule.

12. Arrangements for Disseminating Information about the Services Funded under this Schedule.

12.1 THE COUNCIL may require the College to make available to THE COUNCIL details of best-practice, good news stories and case-studies in respect of the Services delivered under this Schedule.

13. Raising Standards

13.1 THE COLLEGE shall deliver the Services to an acceptable standard of quality as defined by THE COUNCIL and shall take all reasonable steps to:

13.1.1 minimise drop out rates and deliver high completion and achievement rates, and appropriate progression;

13.1.2 ensure competent and appropriately qualified staff deliver and assess learning;

13.1.3 offer equality of access to learning opportunities and close equality gaps in learning and outcomes;

13.1.4 provide a safe, healthy and supportive environment, which meets the needs of Learners;

13.1.5 provide good management and leadership of the learning process; and

13.1.6 deliver value for money and financial probity.

13.2 THE COLLEGE shall continuously seek to improve the Services and raise standards to benefit the Learner. The COLLEGE shall have the primary responsibility for improving standards and will need to demonstrate to THE COUNCIL'S satisfaction that it has an effective quality assurance system based on annual self-assessment and the implementation of its own Quality Improvement process.

13.3 THE COLLEGE shall conduct continuous self-assessment of the Services against the quality requirements shown in paragraphs 19-21 of Quality improvement and self-assessment (May 2005) and Annex 3 of Planning for Success (which includes the requirements under the Common Inspection Framework published by the Inspectorates). THE COLLEGE shall annually submit their self-assessment reports electronically onto the Provider Gateway by a specified date and where required, evidence shall be provided to the Council or the Inspectorates in support of statements made in the self-assessment report.

13.4 If THE COUNCIL assesses THE COLLEGE to be at serious risk of failure to deliver the Services under this part of the Contract following THE COUNCIL'S Annual Planning Review, THE COUNCIL may:

13.4.1 cease fund all or part of the Services in respect of which planned improvement is not achieved or is at an unacceptable rate, or where the Services fails to meet minimum levels of performance or quality.

13.4.2 agree detailed improvement plans and measures that set out clearly the expected timescale for improvement.

13.4.3 agree arrangements for more frequent monitoring of quality improvement plans.

13.4.4 terminate the Contract in respect of this part of the Services on 31 July in the Contract year in which the outcome of the Annual Planning Review judges THE COLLEGE to be at serious risk.

13.4.5 require THE COLLEGE to include in its Development Plan decisive actions and improvement indicators to improve the quality of its Services. THE COUNCIL will meet with THE COLLEGE to discuss and reach agreement on implementation of these actions and Improvement Indicators and to agree arrangements for monitoring and reviewing progress. In such cases reviews will take place at frequencies specified by THE COUNCIL and in agreement with THE COLLEGE.

13.5 THE COUNCIL may at its discretion agree a programme of support for THE COLLEGE to assist delivery of the Development Plan and actions to improve the quality of services.

13.6 When THE COLLEGE receives notification from either of the Inspectorates that its Services (including leadership and management) is to be inspected, THE COLLEGE shall provide THE COUNCIL with a copy of its current Development Plan and details of its quality improvement activity, and any other relevant information in accordance with the required timescale of the Inspectorates. The Council will refer in turn to the COLLEGE's latest self-assessment report using the Provider Gateway.

13.7 Following any inspection by the Inspectorates of the Services provided under this part of the contract, THE COLLEGE will update its Development Plan outlining how it will develop the strengths and address the areas for improvement identified in the inspection. THE COLLEGE will update and agree with THE COUNCIL revisions to its Development Plan setting out how it intends to implement its quality improvement actions.

13.8 Where all or any part of the Services (including leadership and management) delivered under this part of the Contract is assessed by the Inspectorates as unsatisfactory, THE COUNCIL will regard THE COLLEGE as being at serious risk of failure to deliver the Services, and the provisions set out at paragraph 6.4 will apply.

13.9 Where appropriate, THE COLLEGE shall confirm in writing to THE COUNCIL that their Centre Approval Status is still current. The written statement will need to confirm approved centre status for the specific National Vocational Qualification titles and levels, including awarding body name(s).

13.10 THE COLLEGE shall ensure that appropriately qualified and trained staff will deliver the Services. THE COLLEGE shall be responsible for the professional development and training of its staff and for meeting any minimum requirements of THE COUNCIL for the proportion of its staff to be appropriately qualified.

Open and Competitive Tendering Arrangements

ESF Co-financing Schedule 1X - Appendix 1

Beneficiary Eligibility Table

General Eligibility Descriptor	Detailed Beneficiary Eligibility Criteria for this Contract (1)	Detailed Beneficiary Eligibility Criteria for this Contract (2)	Detailed Beneficiary Eligibility Criteria for this Contract (3)	ILR/SR fields <i>Evidence</i>
Age				
Gender				
Employment Status				
Length of Unemployment				
Geographical Area				
Disadvantage (categories from ILR)				
Last Learning Event				
Company Size				
Company Sector				
Prior Attainment Level				