

# Managing Risk in Uncertain Times

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# Background

## Skills and Employment Support Limited

- We work with a number of Independent Training Providers, from small through to very large, from consultancy to NED work
- We also work with a number of large levy paying employers, funders and stakeholders inc. LEPs and MCAs
- Background in national policy development and implementation, including Director of Integrated Employment and Skills (LSC), and Head of Programmes for the Unemployed (SFA).

# Introduction

With limited resources managing risk is about prioritisation. In this workshop we will consider prioritisation across key risk areas including:

- Overriding principles
- Governance
- Finance
- Ofsted
- ESFA Compliance
  - RoATP
  - Audit
- Subcontracting
- Employer-Providers

# Overriding principles

What are your key objectives as a Training Provider, and in what order?

- 1) To use public funding for what it is intended, and be able to evidence it
- 2) Deliver high quality education and training, and be able to evidence impact
- 3) Only then can you consider making money!

# Governance

It all starts with good Governance. Setting a good foundation...

- Leadership from the top
- Get your structures correct
- Get the right meetings in place, with the right people attending
- Asking the right questions is crucial – do your Directors and board members provide informed and robust challenge?
- Evidence your Governance – if you don't have the evidence, it didn't happen!

# Finance

Understand your finances

- Cost of delivery. Do you really understand it?
- Cost of sale. How much are your sales really costing you?
- Payments from ESFA. Are you on top of what you are being paid. You might be surprised how many Providers don't reconcile this information fully.
- Are you prepared for EPA funding going directly to EPAOs?
- Who are you banking with? Some banks are friendlier than others towards skills Providers.....

# ESFA Compliance - RoATP

RoATP should no longer be a paper exercise....Use it to shape your business. It is the sort of approach the ESFA wants to see.....

- Governance
- Processes not ad-hoc activity
- Experienced individuals
- Accountable individuals
- Recording of information
- Analysis of data
- Checking – second set of eyes

# ESFA Compliance - Audit

Audit and being compliant is not difficult, but you have to embrace it.

- Make it easy for auditors. Prepare. Put yourself in their shoes....
- Practice. Run internal audits. No surprises.
- Keep your paperwork up to date. Is yours fully compliant and up to date with any changes e.g. Apprenticeship Agreement was changed in April.
- Train staff. Don't assume they know how to use systems.
- Check again (and again....)



# ESFA Compliance – Audit 2

Focus on current areas of concern

- Initial assessment, eligibility, use of PLR and RPL. Records of discussions. Subsequent funding adjustments.
- Overlap of learning aims.
- Evidencing the start of learning, and alignment to claim dates
- Evidencing last day of learning, and alignment to claim dates
- Digital record keeping and date/time stamps
- Breaks in learning and any impact
- Recording of 'off-the-job' training time and activity

# Ofsted – Quality of Teaching and Learning and Impact

Focus on current areas of concern

- Safeguarding
- Initial assessment, and personalisation of programmes
- Leadership and Management – Governance and evidence of it
- Progress of learners. Do your management understand and know the progress that learners are making. Is the data an accurate reflection...
- What impact is your provision having on learners? What happens to them after they have left provision? How do you know?

# Subcontracting

Prepare for the future

- Understand trend in policy following the formation of ESFA
- Understand the detail of the subcontracting rules that cover delivery to young people:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/718319/Subcontracting\\_guidance\\_2018\\_to\\_2019-v1.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718319/Subcontracting_guidance_2018_to_2019-v1.pdf)

- Expectation is that you shouldn't make profit from management fees
- Likely that you will have to publish how your fees are calculated
- FE Commissioners reports regularly mention reducing subcontracting
- Not been warmly welcomed in devolved procurement

# Employer - Providers

Good Employer-Provider relationships can be very fruitful, however it is not always the case...

- For most Employer-Providers, Apprenticeships are not their core business. Be prepared for them to require a lot of support
- Be prepared for a change of direction. A change in senior management elsewhere in the business can change the approach taken
- They could ask you to pick up the lead relationship mid programme with little warning
- Record keeping and audit is often a challenge, however there are some really good examples of things working well.

# Summary

Managing risk is tricky, and you must prioritise where you focus your effort....

- Start with governance, and get that right
- The issues that can effectively remove your licence to operate
  - Safeguarding
  - Financial health
  - Record keeping
- If you are reapplying to the RoATP, make sure you read all of the guidance and any changes in policy or templates/processes that have been introduced since last time. This can include new email addresses etc.

# Questions???

Thank You

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