

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

- 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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