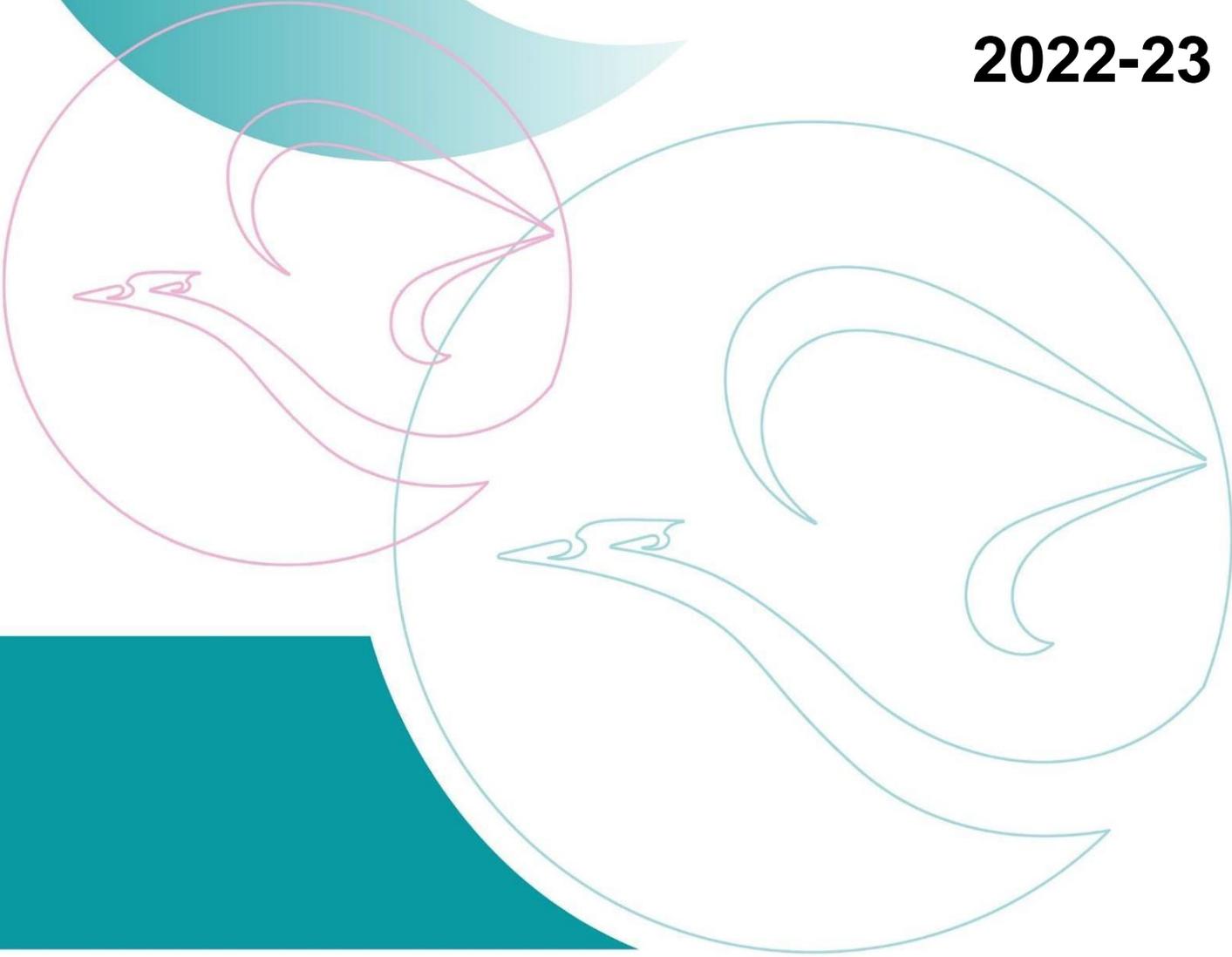




Policy for Delivery Subcontracting

2022-23



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Author:	David Warnes - Deputy Principal, Strategy, Planning and Communications
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Corporation Committee (if applicable):	Audit Committee
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Lead responsibility:	Deputy Principal, Strategy, Planning and Communications
Policy Category:	Partnerships

1. Purpose

The purpose of this document is to describe and communicate the College's policy in relation to the engagement and management of subcontractors and subcontracted provision.

This policy applies to senior leaders responsible for subcontracting and subcontracting partners.

2. Scope

This policy applies to all subcontractor partner provision secured by the College.

The College recognises that subcontracted provision can play an important role in providing a broad and flexible mix of provision for learners, employers, and the wider community. Subcontractors can benefit the College by accessing learners in different settings and communities who may not normally attend provision at a large FE College. They can also provide clear progression routes into college provision and provide learners with a stepping stone qualification.

The College will engage with a limited number of subcontractors where there is a clear strategic reason to do so. The highest weighted score for approving a new subcontractor is their strategic fit and the added value they can bring to the College's goals.

This policy is aligned to the new Subcontracting Standard with reference to contract management and quality assurance.

3. Overarching Principle(s)

The College will use its supply chains to optimise the impact and effectiveness of service delivery to the end user. The college will therefore ensure that:

- Supply chain management activities comply with the principles of best practice in the skills sector. In particular they will be guided by the principles given in the LSIS publication "Supply Chain Management - a good practice guide for the post-16 skills sector" (Nov 2012 and subsequent iterations)
- The college will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
- The funding that is retained by the college will be related to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties in a formal contract. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.
- The College is responsible for the actions of subcontractors connected to, or arising out of, the delivery of the services which the College subcontracts.
- Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the College will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require

both parties to agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.

4. Reason for subcontracting

The decision to engage subcontractors to deliver learning programmes on behalf of the College will take account of the following factors:

- The fit with the strategic aims and goals of the College
- The added value the subcontractor will bring to the College
- Widening participation (attracting learners who would not attend College)
- Enabling the College to capacity build in specialist sectors
- Local, regional and national needs of employers and learners
- The breadth and mix of provision required to meet employer /learner needs
- The current and planned capacity of the College to deliver its strategic aims
- The quality of provision from subcontractors and their ability to achieve outstanding success
- Past performance of subcontractors and a track record of high success
- The sound financial health of subcontractors
- Any Government and funding agency targets, priorities and regulations

The college's Strategic Plan, sets out the long term ambition for the college to reduce its reliance on subcontracting, in line with ESFA policy, decreasing from 65% of the EFSA AEB in 2020-21 to 35% in 2023-24

5. Quality Assurance

Subcontracted activity is a fundamental part of the College's provision. The quality of the provision will be monitored and managed through the existing College Quality Assurance processes and procedures, as amended in order to fully encompass all subcontracted activity.

This Policy positions subcontracted provision as a core part of College activity to enable continuous improvements in the quality of teaching and learning for both the College and its subcontractors. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process and Quality Improvement Plan (QIP/SAR)

6. Quality Improvement

- The College actively supports subcontractors to continuously improve the quality of the teaching and learning they deliver and thereby improve the overall quality of teaching and learning to all College learners.
- The College undertakes observations on all aspects of teaching and learning including information, advice and guidance, progress reviews and assessment.
- The College provides timely and meaningful feedback to both the subcontractor and their delivery staff and observations will be incorporated into the College moderation and standardisation process, in order that improvement actions impact both internal and subcontract quality.
- The College carries out learner voice surveys to gather feedback from learners, as well as combined employer satisfaction surveys.

- The College supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.

7. Publication of information relating to sub-contracting

In compliance with Education & Skills Funding Agency and other agency funding rules that apply, the College will publish its policy for delivery subcontracting and actual end-of-year subcontracting fees and charges on its website before the start of each academic year. This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes or frameworks. It will not include the delivery of a service as part of the delivery of a programme.

The College will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents, such as the Fees and Charges Risk Factor Table and are fully aware of:

- The services the College will provide when subcontracting to and the associated costs when doing so, including a list of specific costs for managing the subcontractor, specific costs for quality monitoring activities and specific costs for any other support activities offered by you to the subcontractor.
- How each cost is reasonable and proportionate to delivery of the subcontracted teaching or learning and how each cost contributes to delivering high quality learning.
- The Subcontractor must comply with the Modern Slavery Act 2015 and must have in place throughout the Agreement Period policies and procedures to ensure full compliance.
- The typical percentage range of fees retained to manage subcontractors, and how this range is calculated.
- The rationale used to determine the level of fee retained through each subcontract is a risk based approach.
- The contributory risk factors that would result in differences in fees charged for, or support provided to, different subcontractors might include:
 - Previous track record
 - Success levels
 - Type of customers to be engaged
 - Type of provision to be undertaken
 - Contract duration
- The risk bands that will be used to allocate college charges. Risk factors are given a score so that each subcontractor is aware of why they are in a particular band. This process will be used to give subcontractors an incentive to improve and thus reduce the risk band that they fall in. For example, higher risk subcontractors will be allocated less funding but receive more monitoring and support.
- Details of any successful completion 'bonuses' where subcontractors are paid some of the money retained, once it is clear that they have fulfilled their contract.
- Payment terms between the college and subcontractors - timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.

- The support subcontractors will receive in return for the fees charged.

8. Communication

This policy will be reviewed in each summer term and updated as required. It will be published on the college web site during the July prior to the start of the academic year in which it will be applied. Potential subcontractors will be directed to it as the starting point in any relationship.

9. The Fees and Charges Risk Factor Table 2022/23

Fees retained and variation in fees charged or support provided to different subcontractors

- The typical percentage range of fees retained to manage subcontractors will not exceed 20%.
- The exact fee is calculated based on the specific costs for managing the individual subcontractor to ensure that the quality of delivery to learners is maintained and that any risk to the College and Education & Skills Funding Agency is mitigated. (See Appendix 1).
- Higher fees are retained where more comprehensive support needs are identified, for example to improve the quality of some or all of a subcontractor’s delivery or if the College provides substantial delivery resources (material, staff, premises).
- Costs will be assessed annually to ensure they are reasonable and proportionate to delivery of their teaching or learning and how each cost contributes to delivering high quality learning (See Appendix 1).

All funding is drawn down against the provision to be delivered. This figure represents the total cost that the College incurs in effectively identifying, selecting and managing all sub contracted provision. This includes the minimum amount of quality assurance activity that the College would attach to the lowest possible risk sub-contractor.

Further charges to cover additional costs may be added to the base fee to cover the cost to the College of any additional support that the College deems necessary to ensure the quality of teaching and learning and the success rates of any subcontracted provision. Additional cost is determined using a weighted table of risk factors. The table is available to all actual and potential subcontractors. It is designed to ensure that the cost of any additional support provided to a subcontractor is covered through the funding retained. Additional costs will be recalculated and negotiated each year at contract renewal, giving subcontractors the opportunity to reduce their fees through continuous improvement. This approach will allow the College to focus support where and when it is needed.

All subcontractors are approved by the Senior Leadership Team and Corporation following the completion of due diligence checks. The scoring criteria for approvals is based on risks outlined in table 1:

Table 1:

Risk Consideration	Weighting %
Strategic fit, including curriculum intent, previous track record and geographical delivery	45%

Quality assurance, including achievement rates, safeguarding, teaching, learning and assessment	20%
Contractual and legal risks	20%
Financial risks	15%

10. Additional Support for Subcontractors

The precise additional support given to each subcontractor will be negotiated with that subcontractor, but will be based on a 'risk band' approach and may include:

- Additional site visits
- Additional lesson observations
- Additional tutor support
- More rigorous verification

The risk band will be determined using the scoring in **Table 1**.

11. Additional charges per learner

The College may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the subcontractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from the College
- Internal Verification

12. Support provided to subcontractors

- The College provides a Contract Manager to manage the relationship with the subcontractor.
- The College provides a Quality Lead to ensure that the quality of the subcontractor's delivery meets its expectations and to support the continuous improvement of its provision.
- The College provides administration support to ensure the timely recording of learner information on the College's ILR.
- The College undertakes a regular and substantial programme of quality assurance checks on the education and training provided by subcontractors, including visits at short or no notice and face-to-face interviews with staff and learners. These checks include whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes.
- The College ensures that all of the subcontractor's delivery meets the Education & Skills Funding Agency's Funding Rules.
- The College ensures that any Apprenticeship provision delivered by subcontractors meets all of the required standards and specific ESFA funding rules.

13. Payment terms

- Subcontractors will be paid monthly in arrears, according to the confirmed profiles as contained in the contract annex.
- 10% of the maximum contract value will be held back until the final year end reconciliation at R14.
- Payment will be based on actual delivery evidenced through the College's ILR.

- Payment for achievement (20%) will be held back until achievement evidence is confirmed through the ILR.
- Payment by BACS will be made within 30 days of the subcontractor submitting a validated invoice to the College.

14. Relevant Legislation / Regulation

The following legislation and regulations apply to this policy / procedure:

- ESFA Subcontracting Standard 2022
- Subcontracting Contract Management Plan
- Modern Slavery Act 2016

15. Accountability

The Deputy Principal, Strategy, Planning and Communications is responsible for the drafting and implementation of this policy.

He or she is also responsible for ensuring that this document is regularly reviewed and updated and is the first contact point for managers seeking advice and guidance about the policy or making enquiries about its interpretation.

All managers are responsible for ensuring that they and their team members follow the requirements set out in this document.

All employees are responsible for adhering to the requirements set out in this document.

16. Equality & Diversity

The College has paid due regard to equality considerations during the preparation and implementation of this Policy and Procedure.

These considerations included the potential for any differential negative effect on the grounds of age, disability, gender reassignment, pregnancy and maternity, race (including ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, sexual orientation, marriage or civil partnership.

The College's judgment is that there is no such negative effect on those grounds and, consequently, no potential breach of the Equality Act 2010.

The operation of this Policy and Procedure will be monitored by the Director of People and Organisational Development in order to establish that no unlawful discrimination is taking place and to identify opportunities for the College to enhance equality of opportunity and fair treatment.

17. Monitoring and Review

This document will be reviewed by July 2023.

The Deputy Principal, Strategy, Planning and Communications will undertake this review, taking into account the outcomes of the monitoring process, legislative changes and developments in good practice.

As part of the review, the Deputy Principal, Strategy, Planning and will seek and consider the views of the College's employees and of the recognised trade unions.

The outcome of the review will be reported to the Senior Leadership Team

18. Policy Category

Category [select ONE only]	<input type="checkbox"/> Programmes/courses <input checked="" type="checkbox"/> Partnerships <input type="checkbox"/> Finance <input type="checkbox"/> Quality <input type="checkbox"/> Governance <input type="checkbox"/> Health and safety <input type="checkbox"/> Facilities <input type="checkbox"/> Computer Services <input type="checkbox"/> MIS <input type="checkbox"/> Admissions <input type="checkbox"/> Teaching and learning <input type="checkbox"/> Personnel
Audience [select ALL that apply]	<input type="checkbox"/> Employees <input type="checkbox"/> Learners <input checked="" type="checkbox"/> Partners <input type="checkbox"/> Suppliers

Appendix 1:

Services provided for Management fee	Description of reasonableness & contribution to high quality learning
<ul style="list-style-type: none"> The College provides a Contract Manager to manage the relationship with the subcontractor and provide guidance on strategic direction 	<ul style="list-style-type: none"> To ensure regular communication and timely sharing of information
<ul style="list-style-type: none"> The College provides a Quality Lead to ensure that the quality of the subcontractor's delivery meets its expectations and to support the continuous improvement of the subcontractor's provision. 	<ul style="list-style-type: none"> To quality assure all provision to ensure high standards of teaching & learning are upheld and to identify areas for improvement
<ul style="list-style-type: none"> The College provides administration support to ensure the timely recording of learner information on the College's ILR. 	<ul style="list-style-type: none"> To ensure delivery profiles are met and payments are made in a timely manner
<ul style="list-style-type: none"> The College undertakes a regular and substantial programme of quality assurance checks on the education and training provided by subcontractors, including visits at short or no notice and face-to-face interviews with staff and learners. These checks include whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes. 	<ul style="list-style-type: none"> To quality assure all provision to ensure high standards of teaching learning and assessment are upheld and to identify areas for improvement
<ul style="list-style-type: none"> The College ensures that all of the subcontractor's delivery meets the Education & Skills Funding Agency's Funding Rules for Adults and / or Apprentices . 	<ul style="list-style-type: none"> To ensure compliance with funding rules
<ul style="list-style-type: none"> The College administers learner and / or employer surveys, focus groups and other methods of stakeholder feedback 	<ul style="list-style-type: none"> To obtain feedback from stakeholders on the quality of teaching and learning
<ul style="list-style-type: none"> The College provides a bi-annual 'Partner conference' to disseminate policy updates, training opportunities and sharing of best practice 	<ul style="list-style-type: none"> To share best practice and provide an opportunity to update on new policy changes
<ul style="list-style-type: none"> The College undertakes a 'Performance Monitoring' meeting every ½ term (6 weeks) 	<ul style="list-style-type: none"> To monitor progress against targets and identify area for improvement
<ul style="list-style-type: none"> The College provides the partner with opportunities to attend regular CPD training including updates on Safeguarding and Prevent 	<ul style="list-style-type: none"> To enable subcontractor staff to access CPD training to upskill on specific topics