

GENERAL POLICY: SUB-CONTRACTING (FEES AND CHARGES) 2018-19

1. SCOPE

The policy applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency.

In compliance with the Education and Skills Funding Agency and other agency funding rules that apply, the College will publish its sub-contracting fees and charges policy and actual end-of-year sub-contracting fees and charges on its website before the start of each academic year (and in the case of actual end of year data, as required by ESFA). This will only relate to 'provision sub-contracting' 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 (for example, buying the delivery of part of an Apprenticeship framework or outreach support).

2. CONTEXT

The policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity.

3. OVERARCHING PRINCIPLE

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:

- a. 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 Learning and Skills Improvement Service (LSIS) publication "Supply Chain Management – a good practice guide for the post-16 skills sector" (2013).
- b. The College will comply with the current ESFA (including ESF) funding methodology rules and regulations as set out in the Adult Education Budget: Funding and Performance Management Rules for 2018 to 2019.
- c. The College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential and existing sub-contractors 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.

- d. Where disputes between supply chain sub-contractors 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. RATIONALE FOR SUB-CONTRACTING

The College engages with sub-contractors to better meet customer needs. Reasons include:

- To temporarily expand provision to meet a short term need.
- To provide immediate provision whilst expanding direct capacity. This might include working with sub-contractors to explore and learn about new frameworks or sectors prior to investment in resources.
- Providing access to, or engagement with, a new range of customers.
- To ensure delivery intention is met where there is a recognised risk in direct provision (e.g. through JCP referrals not being realised).
- To support another provider to develop capacity/quality.
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.
- To support employers with a wide geographic requirement.

5. QUALITY ASSURANCE

Sub-contracted activity is a fundamental part of the College's provision and formally approved by Senior Leadership Team (SLT). The quality of the provision will be monitored and managed through the existing College quality processes and procedures, as amended in order to fully encompass all sub-contracted activity.

The College will check CV's and DBS records as part of the due diligence process to ensure that potential sub-contractors have the ability to deliver quality provision.

This Policy positions sub-contracted 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 sub-contractor's. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report (SAR) process.

6. PAYMENT TERMS

Payment to be made to the sub-contractor monthly in arrears on receipt of contract payment to the College from the ESFA; 5% is withheld on each payment which will be reconciled the following academic year following a successful end of year audit and full closure of the last ILR.

7. COMMUNICATION

The College will ensure all actual and potential subcontractors have sight of this policy.

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 and will be discussed at 1-1 subcontractor meetings. Potential subcontractors will be directed to it as the starting point in any relationship.

8. FEES AND CHARGES 2018/19


Standard College management fee is between 20%-22% of all funding drawn down against the provision to be delivered if a sub-contractor is responsible for all elements of the contract. If the sub-contractor is only responsible for partial delivery and uses the College's accreditation/certification the fee will be 30%. These figures represent 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 (QA) 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 sub contracted provision. Additional cost is determined on a case by case basis which may include:

- Additional site visits
- Additional learner visits
- Additional lesson observation visits
- Additional assessor/tutor support
- More rigorous and specific quality checks/visits
- More rigorous verification

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

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

	RACHAEL BAKER, DIRECTOR OF PLANNING & PERFORMANCE
DATE	9 OCTOBER 2018

EQUALITY IMPACT ASSESSMENT

1.	What is the name of the policy?
	Partnership Strategy 2016-19
2.	What is the aim of the policy?
	To map out the purpose, scale and process of partnership activity.
3.	Who does the policy impact on? <i>(Staff, Learners, Partners etc)</i>
4.	Who implements the policy?
	Partnership Manager and SLT
5.	What information is currently available on the impact of this policy? <i>(This could include data that is routinely collected for this policy and/or minutes from management or team meetings. It could also include conversations with students and/or staff who have used the policy in their day-to-day role).</i>
	<ul style="list-style-type: none"> • SFA income • Partnership expenditure • Partnership contracts and Schedules • Partnership budget • Success data • Ofsted feedback
6.	Do you need more information before you can make an assessment about this policy? <i>(If yes, please put down what information you need and identify in the action plan, how you intent to collect it)</i>
	No
7.	Do you have any examples that show this policy is having a positive impact on any of the equality characteristics shown in the table?
	<ul style="list-style-type: none"> • Success data • Contents of Ofsted Report

8.	Are there any concerns that this policy could have a negative impact on any of the equality characteristics shown in the table below?			
	Category	No	Yes	Please supply any additional comments
	Race	✓		
	Disability	✓		
	Gender	✓		
	Gender re-assignment	✓		
	Age	✓		
	Sexual orientation	✓		
	Religion/belief	✓		
	Pregnancy/maternity	✓		
	Marriage/Civil Partnership	✓		
	Socio-economic	✓		
	Rurality	✓		

Actions are to be taken as a result of the Equality Impact Assessment:			
Action Required <i>(clearly state where within existing management structures these actions will be performance monitored)</i>	Person responsible	Comp date	Review details – impact and outcome
None at present – under constant review	BM		

Signed:	Position:	Date:
B. Mores.	Partnership Manager	15 February 2017
		Date EIA reviewed: