



POLICY 34
STOKE ON TRENT COLLEGE
SUBCONTRACTING POLICY



1. Scope

This policy applies to all provision subcontracting funded through the Education and Skills Funding Agency (ESFA) whereby Stoke on Trent College enters into a subcontracting agreement with a supplier for the delivery of any element of the education and training funded by the ESFA.

This policy is to provide transparency for all current and potential subcontractors, and other associated parties or individuals regarding the procurement, due diligence process, support, and charging rationale for delivery subcontracting.

This policy is provided to all potential subcontractors during the procurement exercise and existing subcontractors during the re-contracting process. Stoke on Trent College recognises that it holds full accountability for the delivery of subcontracted activity and that this cannot be assigned to subcontractors.

2. Reference

This Subcontracting Policy is a mandatory requirement that must be in place, reviewed ahead of each funding year and signed off by the College's Governing Body before being published by 31st October each year. The content of this policy is in line with ESFA Funding Rules, the LSIS Supply Chain Management document, and the AOC/AELP Common Accord.

3. Rationale for Subcontracting

Stoke on Trent College:

- i. Recognises the benefits that effective subcontracting can bring to extending the accessibility of provision for learners and thereby contribute to the economic prosperity of our neighbouring local communities
- ii. Ensures all delivery subcontracting contributes to the delivery of our strategic aims
- iii. Uses subcontractors to widen participation amongst learner groups that it would otherwise be "hard to reach" and other individuals that face barriers to participation in learning and work
- iv. Uses subcontractors as appropriate to fill gaps in, and to extend the breadth of its provision in response to local and regional demand: for example, through widening the range of programmes offered to learners and broadening the range of sector subject areas or business sectors covered

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European Union
European Social Fund
Investing in jobs and skills

- v. Will only use delivery subcontractors where we have the knowledge, skills and experience within the College to successfully procure, contract with and manage those subcontractors and whom our Governors determine as being high quality and low risk to public funds.

4. Operational Control

Policy owner: Deputy Principal

This Policy is approved by the CEO and Principal of the College, the Chief Finance Officer and the Board of Governors

5.Support, Monitoring and Quality Assurance/Improvement

Ongoing support, monitoring and quality assurance/improvement of our subcontractors includes:

- Day-to-day management and support are provided by the Contracts & External Bids Manager to support the smooth running of the contract, with additional support provided from a range of specialists.
- Regular monthly and annual review meetings are undertaken to support all partners in meeting the quality standards and key performance measures
- Desk top reviews in addition to daily/monthly meetings
- Quality of teaching, learning and assessment monitored through observation of and enhanced support from our Quality team and Director of Quality & HE to ensure standards are met including:
 - Eligibility checks to verify that learners meet criteria for ESFA funding
 - Careers advice and guidance
 - Assessment, teaching and learning practice; visit both announced and unannounced of which at least one will be a short notice visit
 - Face to face interviews with staff
 - Regular quality and curriculum reviews undertaken both remotely and face to face
 - Remote learning
 - Self-assessment
 - Quality improvement activities
 - Safeguarding and Prevent
- Access to Canvas, the college’s VLE

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- We oversee the ESFA 16-19 Bursary & Free meals and learning support process for each subcontract and provide access to high needs learner funding
- Safeguarding and Prevent training including access to the safeguarding team for queries, concerns and reporting of incidents. The College will ensure safeguarding is rigorously policed.
- Access to the College’s CPD programme
- Validation of enrolment paperwork and data input for ILR data upload service to the ESFA
- Learner tracking documents
- We provide a suite of ESFA compliant learner paperwork designed to aid the enrolment, monitoring and support evidence requirements for our funders
- Offer full training on paperwork, processes, compliance and provide on-going support to all staff involved in the delivery and administration of programmes
- We conduct Compliance Audits to ensure high levels of contractual compliance and minimal funding risks to both parties
- Regular funding analysis reports including detailed MIS performance on overall programme and individual learner
- Carry out learner voice surveys to gather feedback from learners
- Support subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures
- Support subcontractors to develop an effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) and will incorporate subcontractors’ SARs and QIPs into the whole College SAR

6. What we expect from our partners

It is important that our partners share the College’s values and work to ensure all learners reach their full potential.

We expect subcontractors to adhere to quality frameworks and processes including the Ofsted Education Inspection Framework.

Public funds: We expect that funding is only used to pay for delivering on programmes and is not used to cover ancillary aspects such as memberships of sports clubs or theatre groups.

Safeguarding: We expect subcontractors to provide safe, supportive and engaging learning environments that provide learners with the skills that prepare them for life in modern Britain.

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Prevent: We expect subcontractors to adhere to policies and guidance in relation to all forms of radicalisation and embed British Values.

We expect timely communication and adherence to all ESFA and Stoke on Trent college requirements.

7. Management Fees

The College bases its management fees on the level of resource required to: manage effectively the individual subcontractor relationship; to undertake funding returns; complete audit requirements; to ensure the maintenance of high quality of delivery to learners; and to mitigate against any risk to the College and ESFA.

We recognise the importance of ensuring that our management fees are reasonable, proportionate and transparent and so we have developed two price points that reflect the differing costs to the College.

A standard College management fee of 20% (of all funding drawn down against the provision) will be applied as the benchmark rate, and has been calculated as the representative cost to the College in effectively identifying, selecting and managing these contracts. The College will individually assess each subcontractor prior to any and each agreement with the subcontractor before an open rationale determines the level of management fee retained by the College.

Standard Management Fee

This fee will apply to all subcontracted contracts and is the proportion of ESFA funding retained by the College to cover standard costs incurred through its management of these contracts. These costs include (but are not limited to):

- i. Administration
- ii. Quality assurance
- iii. MIS functions relating to the submission of funding and data to the ESFA
- iv. Provision of management meetings
- v. Provision of professional advice regarding ESFA funding matters
- vi. Due Diligence support, guidance and checking
- vii. Mandatory Training delivered to subcontractor staff (as applicable)

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Additional Management Fee

In some cases, an Additional Management fee may be charged. This higher rate would apply if the College undertakes further functions for example: managing the provision; through delivering additional services; or where greater support is required to ensure the development of quality delivery. Examples include (but are not limited to):

- viii. Registering learners with awarding organisations
- ix. Incurring the cost of examination fees
- x. Responsibility for Internal Quality Assurance of provision
- xi. Increased Quality Assurance Audits if provision is new or is underperforming
- xii. Additional support necessitated due to subcontractors' poor performance (in relation to delivery of provision, poor success rates or administration processes linked to provision)
 - vii. Type of provision, for example more resources will be required to manage the administration of apprenticeship programmes than some other types of programmes
 - viii. New subcontractor due to the increased administrative burden and higher risk

Where applicable, the Additional Management Fee is in addition to the Standard Management Fee. The College agrees the management fee with a subcontracting partner during the procurement process, and prior to the issuing of contracts. Fees are reviewed prior to annual re-contracting.

8. Payment Terms

Payment terms and the method of calculation are in line with the contract. Payments are made monthly at the end of the month following the delivery period, which has been validated and payment confirmed by the ESFA. Payment is based on the funding confirmed and received, less the applicable Management Fee.

Payment dates: specified at the commencement of the contract; subject to adherence with the College's requirements for enrolling the learner(s) onto the Individualised Learner Record; as per contract schedules and guidance documentation.

Payments are dependent upon delivery targets being met and all documentation received being timely and accurate for input onto the Individualised Learner Record.

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Payments will not exceed the contract value unless the College has agreed in writing to a variation. The College will make adjustments where it cannot validate the following evidence: learner(s) eligibility for funding, participation or achievement.

Clawback will be applied if payment is subsequently found not to be supported by ESFA fundable delivery.

9. Communication

This policy will be:

- i. Published on the College website
- ii. Communicated to and discussed with current subcontractors as part of the contract review process
- iii. Communicated to potential subcontractors as part of the procurement process.

10. Invitation to Tendering and Due Diligence

A robust process is in place to identify and contract with subcontracting partners. The College has a due diligence framework. To be considered for subcontracting please contact the College at jayne.beetham@stokecoll.ac.uk. The process for bidding to become a subcontractor will involve, as a minimum:

- Completion of **Due Diligence Application Form**
- Completion of **Invitation To Tender Form**
- Two satisfactory and current references
- Satisfactory annual accounts for the last three years
- Satisfactory track record of delivering government funded training e.g. achievement rates

In addition, in order to pass the Due Diligence stage, the Provider will need to pass a quality assurance visit by an appropriate member of College staff. Thorough due diligence checks when appointing subcontractors will be undertaken and reviewed on an annual/ongoing basis with each delivery subcontractor.

The College has robust procedures in place to ensure subcontracting does not lead to the inadvertent funding of extremist organisations.

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ESFA rules require that the College must only award subcontracts for delivery of ESFA funded provision to legal entities. If the legal entity is a registered company, it must be recorded as ‘active’ on the Companies House database. Subcontractors must register on the UK Register of Learning Providers (UKRLP) and hold a UK Provider Reference Number (UKPRN) to be eligible to receive a subcontracting contract.

The College is not permitted by ESFA to agree the use of any subcontractor where this would lead agency funding to be subcontracted to a second level of subcontractor.

During the academic year, as required by the ESFA, we will complete and maintain an up-to-date Subcontractor Declaration. We will also confirm to the ESFA the actual level of funding paid and retained for each of our delivery subcontractors for the funding year, in the format and to the timescale the funding agency specifies.

11. Intervention

When a subcontractor is not performing according to contract, or there have been other significant issues and/or ‘causes for concern’ identified which may be of a financial, quality or audit nature, intervention by the College may include (but not be limited to):

- i. The production of an Action Plan, with or without identified support.
- ii. Financial penalty
- iii. An **Improvement Notice** issued
- iv. Higher Management Fee imposed, with mandatory support
- v. Termination of contract

If, for any reason, either party terminates the contract, the College would assume responsibility for the delivery of the remainder of the learner(s) programme(s). Should the College not have the relevant resources to perform this, the College would source an alternative provider or retain specialist teaching expertise and / or specialist equipment to ensure that the learners complete their programmes without disruption, whichever is more cost-effective. Any provision planned but has not started will be cancelled and the project closed. A detailed contingency plan is in place to deal with this eventuality.

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12. Using Subcontractors in the Delivery of Apprenticeships

Apprenticeship subcontractors must be published on the Register of Apprenticeship Training Providers (RoATP) and have applied by the main or support application routes; or they are either the apprentice’s employer, a connected company or charity as defined by HMRC and are on the published RoATP, having applied through the employer-provider application route; or they have applied to the RoATP subcontracting exception process and been approved to be exempted from the requirement to be on the RoATP and can produce written approval from DfE confirming that the exception applies to them, including its duration.

From the outset of each apprenticeship, the College and employer will agree a plan for its delivery. If an employer requests at the start of an apprenticeship, and we agree, we can use delivery subcontractors to complement our own delivery. The College must directly deliver some of the apprenticeship training and/or on- programme assessment associated with each employer’s apprenticeship programme. The volume of training and/or on-programme assessment that the College will deliver for each employer will have some substance and will not be a token amount. The College is not permitted to only deliver elements taught online or via distance learning.

Within an employer’s apprenticeship programme, delivery subcontractors will deliver either substantial or part-apprenticeship training standards. The scale and makeup of an employer’s programme may vary from month to month or from year to year

When an employer’s apprenticeship programme includes subcontracted delivery, the College will draw up a Written Agreement, specifically to set out which parts of the programme will be delivered by the College, which by the delivery subcontractor, and to highlight the reasons for subcontracting. Further clauses in this written agreement will include as a minimum all other items ESFA specify as mandatory requirements.

13. Policy Review

The College will review this policy at least annually and more frequently if we need to respond to relevant changes in government policy and / or funding rules.

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Principal and Chief Executive

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Chair of the Corporation

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