

# Subcontracting and Supply Chain Fees Policy

**New policy (includes amalgamation of Supply Chain fees policy)**

<b>Policy review area</b>	
<b>Lead Manager</b>	Deputy COO
<b>Approval level</b>	Board
<b>Start date</b>	May 2021
<b>Review cycle</b>	Annually
<b>Next review</b>	May 2022

## 1. Introduction

The Greater Brighton Metropolitan College (GB MET) sub-contracts work to other organisations, such as training providers, to deliver training services. This is done for a number of reasons, for example: to provide training in parts of the community that maximise the links and relationships that other training providers have; to provide training in employment sectors where the college has historically delivered less provision.

The College has a long history of working with partners to deliver high quality teaching and learning. In recent years this work has included 19+ provision, community learning and Apprenticeship delivery (16-18 and 19+) funded by the Education and Skills Funding Agency.

The college recognises that it needs to reduce the volume of delivery that it subcontracts and is committed to reducing this in line with ESFA and FEC expectations.

This policy is intended to:

- Ensure the strategic vision and quality standards of the College are met by sub-contracting organisations.
- Ensure that learners have a high quality experience.
- Ensure value for money is achieved for all government funding.
- Limit the risk involved in managing sub-contracted provision.

## 2. Scope

This policy:

- Applies to all staff working for the College.
- Covers all sub-contracted provision within the College.
- Covers all income sources (funded and fees).
- Is to be used to ensure consistency of approach when working with sub-contracting organisations.

## 3. Principles

The principles used to determine whether the College will contract with a sub-contractor are:

- Organisations that complement existing provision will be selected to be sub-contractors of the College.
- All sub contracted provision will meet current Education and Skills Funding Agency (ESFA) guidelines where the provision is covered by ESFA funding rules.
- Due diligence and Due Diligence Refresh is to form an essential part of the contracting process.
- Each sub-contractor will be required to abide by relevant GB MET policies and procedures.
- If for any reason a sub-contractor of the College cannot fulfil its training commitments, the College will make every effort to ensure that learners are able to complete their qualifications or training with another provider.
- Sub-contracting performance will be monitored by the College Management Group and the Governing Body.

## 4. Rationale

Sub-contractors are sought for one or more of the following reasons:

- To capacity build.

- To engage with new markets.
- To grow niche provision.
- To provide access to, or engagement with, a new range of learners.
- To support employers with a wide geographic remit.

The College is committed to developing a Sub-Contracting Strategy during 2020-21. The strategy will build on College experience to date in sub-contracting, the current and future funding environment and have a view to prioritising engagement with sub-contractors who:

- Are aligned to key sectors identified as skill priorities in the region and by the Local Enterprise Partnership.
- Can demonstrate consistently high quality delivery and achievement rates.
- Can facilitate a high level of progression into full-time employment or higher learning for our learners.
- Are financially secure and do not expose the College to high levels of financial risk.
- Have or are committed to adopting robust quality assurance processes that complement those in place at the College.
- Will allow the College to capacity-build in new sectors or geographic locations to enable us to move to a position of direct delivery.

## **5. Contracting**

- All sub-contracting contracts entered in will be signed by the Chief Executive Officer (CEO).
- The contract document will set out the maximum amount of funding available to each sub-contractor.
- Any contract which proposes that in one year a value of £1m or more is to be awarded to one sub-contracting organisation has to be approved by the Governing Body before signature by the CEO.
- Any change to a sub-contractor's agreement which means that their funding in one year would exceed £1m, will require approval by the Governing Body.
- No sub-contractor will be given access to funding until due diligence has been completed and a contract of agreement has been signed by the CEO and a senior representative of the sub-contracting organisation.
- Each sub-contractor will receive sufficient funding to cover the duration of the programme for each enrolled learner.
- The college will only enter into subcontracting agreements with apprenticeship providers who are on the Register of Apprenticeship Training Providers.

## **6. Publication of information**

In compliance with ESFA and other agency funding rules, the College will publish its partnership fees /charges and actual end of year fees /charges on its website at the start of each contract year (August).

The college will also ensure that all sub-contractors are declared to the ESFA as per their annual schedule.

## **7. Fees and Services**

The standard management fees for new college sub-contractor contracts in relation to the period from 01/08/2020 for the academic year 2020/21 are between 15-20% for all provision.

These rates have been calculated to include the costs of managing and administering subcontracting arrangements, the electronic and paper systems used within the relationship and the additional value offered to partners in terms of CPD and support to ensure compliance.

There may be some slight variations in fees charged for the support provided to different subcontractors. These are for a variety of reasons but could include additional support measures put in place to manage under-performance by partners.

All contracting arrangements are renewed on an annual basis in line with annual government funding cycles.

Payments to partners will be made monthly in arrears, based on College's Individual Learning Record (ILR) returns. A checklist of key dates and deadlines for paperwork to be received for inclusion in the return to the ESFA will be provided by the College.

In return for the fees charged, the College performs the following services and provides support in the following areas:

- Due diligence and Due Diligence Refresh quality checks;
- Paperwork submission quality and accuracy checks;
- Monitoring visits, both scheduled and un-scheduled;
- Termly performance monitoring meetings to cover progress of learners, breaks in learning, monthly starts against target and a financial forecast;
- MIS data monitoring for completeness, accuracy and financial payments;
- Audit checks of files including management of funding agency audits;
- Course code set-ups for all courses to be delivered;
- Observations of teaching, learning and assessment and other quality assurance support to ensure the consistency of high quality IAG, teaching and learning and progression;
- Scheduling, monitoring and activating monthly sub-contractor payments;
- Administrative support to ensure all paperwork is audit and ILR compliant and safely stored and uploaded onto ESFA systems;

## **8. Quality Assurance**

Quality will be monitored and managed through existing College quality assurance processes which are fully enabled to support all subcontracting activity.

## **9. Contingency Plans**

A contingency plan safeguards learners in the event that a sub-contractor withdraws from the arrangement or goes into liquidation or administration.

The College may terminate a sub-contracting contract to protect its learners in any of the following instances.

- 1) Evidence of consistently poor teaching, learning and assessment and a failure of the Sub-contractor to address this despite ongoing support from the College.
- 2) A Sub-contractor withdrawing from the arrangement.
- 3) A Sub-contractor falling into liquidation or administration.
- 4) A Sub-contractor fails to meet requirements of the College Safeguarding requirements.
- 5) An Education Skills Funding Agency notice of concern.

In all of these cases the College will firstly consider the possibility of direct delivery. If this is not viable, the transfer of learners will be offered to one of the College's other existing providers with the same geographic reach. If that is not feasible, a new sub-contractor will be sought. Provided they pass through the due diligence process; the new sub-contractor will take over the learners.

If contract termination procedures are implemented, sub-contractors are contractually required to co-operate fully with this process. Failure to comply with the requirements will result in withheld payments until a satisfactory resolution is achieved.

## **10 Status of this policy**

This policy was updated and approved by the College Management Group and supersedes all previous documentation.

The operation of this policy will be kept under review by the Deputy Chief Operating Officer and it will be reviewed on an annual basis by the College Management Group.

This policy has been impact assessed to ensure that it does not affect individuals on the grounds of their protected characteristics.