

SUB-CONTRACTING (FEES & CHARGES) POLICY 2019/20

1 Scope

The policy applies to all third Party sub-contracted supply chain activity supported with funds supplied by the Education & Skills Funding Agency or any successor organisations.

2 Context

The policy is a mandatory requirement that must be in place prior to participating in any sub-contracting activity. The policy has been written in accordance with the Education & Skills Funding Agency's and Greater London Authority (GLA) requirements as set out in the Adult Funding Rules 2019 to 2020 and Funding Guidance for Young People 2019/20 (sub-contracting control regulations).

3 Disclaimer

Waltham Forest College reserves the right to amend its sub-contracting arrangements at any time in accordance with the requirements of the Funding Bodies and the terms and conditions contained in its standard contract or sub-contracted provision.

4 Overarching Principle

The College will use its supply chains to optimise the impact and effectiveness of service delivery to learners. 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 in the spirit of the Common Accord to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on the lives of learners.
- 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. 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.
- Contract documents will require both parties to agree that the achievements of the sub-contracting 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.

5 Rationale for sub-contracting

The College engages with sub-contractors

- To undertake provision which fits with its strategic objectives
- To provide training opportunities for a range of learners who may not be able to study at the main College.
- To widen the range of progression opportunities for learners, both from sub-contractors' provision to the College's and vice-versa.
- To offer flexibility by delivering provision at times and venues convenient to learners and employers.
- 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/sectors.
- To meet demand from referrals from key stakeholders such as local employers or Job Centre Plus
- To enable the College to respond quickly to employer and learner demand, providing greater choice for learners
- To provide good development opportunities for both Waltham Forest College and its sub-contractors to share good practice and explore different ways of working
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.
- To support employers with a wide geographic requirement

The College's main priorities for sub-contracting are to support:

- Work with disengaged young people
- Apprenticeships and meeting the demand of employers
- Workforce up-skilling
- Provision requested by Job Centre Plus (JCP)
- Expansion into growth areas where set-up costs would otherwise be prohibitive
- Wider reach into the local community using satellite venues

Provision that meets one or more of the following criteria will be prioritised:

- It meets the needs of residents and employers of Waltham Forest and neighbouring boroughs
- It supplements and does not duplicate the College's curriculum offer
- It offers progression opportunities for learners into the College

6 Quality Assurance

Sub contracted 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 sub- contracted activity.

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 subcontractors. This will be achieved through the sharing of effective practice across the supply chain.

Sub-contracted provision will only be supported with organisations which can demonstrate the actual achievement of, or the potential to rapidly achieve, good quality teaching and learning and success rates which achieve national averages.

Waltham Forest College ensures that its sub-contractors are included in the College's quality cycle and are audited and supported by the College to follow this process.

The College supports sub-contractors to complete the course review and self-assessment process, including quality improvement plans. It also offers support as required to share good practice through regular quality reviews, observation of teaching, learning and assessment and learner and employer feedback.

Sub-contractors are expected to hold course centre approvals where appropriate and liaise with awarding organisations. Sub-contractors must notify the College immediately if any awarding organisation imposes a sanction on the sub-contractor. The College regularly reviews external moderator reports submitted by sub-contractors and monitors sub-contractors' follow-up actions as required.

Sub-contractors will collect, retain and submit to the College on request all relevant documents and evidence of student activity.

Where one of the main objectives of the sub-contracted services is to deliver information and advice, the sub-contractor will have to have attained the Matrix Standard Accreditation within six months of the contract being awarded. If the information and advice is embedded as part of the delivery of the services, the sub-contractor should work towards achieving the Matrix Standard Accreditation within twelve months of the start of the contract.

7 Publication of information relating to sub-contracting

In compliance with Education & Skills Funding Agency and GLA funding rules, the College will publish its sub-contracting fees and charges policy and actual end-of-year sub-contracting fees and charges before the start of each academic year (and in the case of actual end of year data, as required by ESFA and GLA). 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 (for example, buying the delivery of part of an Apprenticeship framework or outreach support). Provision subcontracting lists will be agreed with local ESFA and GLA Officials prior to publication.

The College will ensure all actual and potential subcontractors have access to this policy and any other relevant documents.

The College will charge a management fee between 15% to 20% unless agreed otherwise, of funding drawn down from the ESFA and GLA dependent on the level of support and services given to the respective sub-contractor which includes:

- Provision of suitably qualified/experienced College Liaison Officers
- Advice and guidance at pre-contract stage and due diligence assessment
- Enrolment support (e.g. provision of paperwork, advice and guidance on student eligibility) and processing of enrolment documentation
- Data and financial management – timely and accurate processing and submission of data to enable drawdown of funds from the Funding Bodies and analysis to ascertain funding earned by sub-contractor and calculation of success rates
- Provision of regular class lists
- Regular review meetings and performance reports
- Compliance and quality assurance visits and on-going support to address any areas for improvement including announced and unannounced site visits, lesson observations, tutor support and quality assurance and administration support

All invoices submitted by a sub-contractor must be supported by documentation as required in the contract. Where there are no issues relating to a sub-contractor's submitted invoice, the College will endeavour to ensure that the payment of the invoice is made within 30 days of receipt.

8 Monitoring, Review and Risk Management

Any prospective sub-contractor will be required to complete the College's **Due Diligence Questionnaire** to assess the level of risk should the College decide to enter a contractual agreement with that organisation.

Sub-contractors are required to have a UK Register of Learning Providers (UKRLP) (<http://www.ukrlp.co.uk>) reference number (UKPRN) and must appear on the Education & Skills Funding Agency Register of Training Organisations. If the sub-contractor holds aggregate Agency funding contracts in excess of £100,000 then they must also complete the Due Diligence Gateway.

Provision funded by the Education & Skills Funding Agency and GLA must comply respectively with the Adult Funding Rules 2019 to 2020, Apprenticeship Funding and Performance Rules 2019 to 2020 and Funding Guidance for Young People 2019/20 (sub-contracting control regulations) and any updates published by the ESFA during the year.

Sub-contractor performance will be monitored on an ongoing basis. Feedback on performance will be provided in writing, at face to face meetings, by telephone or e-mail. The methods used will be dependent upon the circumstances at any point in time. Feedback will also be provided at periodic contract performance review meetings.

Contributory risk factors that are used to identify the initial level of risk associated with a prospective sub-contractor will include:

- Previous track record/performance
- Staff qualifications and experience relevant to delivery of agreed programmes
- Results of EV reports
- Financial standing of the sub-contractor
- Length of sub-contractor's existence
- Contract size with regard to both funding and learner numbers
- Standards of internal quality assurance by sub-contractor
- Any previous OFSTED judgement/s
- Profile of learners
- Experience of working with ESFA funding methodology and requirements
- Geographic location, particularly for ESFA funded provision, to ensure provision is not outside of the College's normal recruitment areas

During the period of contractual agreement the College will, on an on-going basis, also monitor the level of risk through:-

- Observations of teaching, learning and assessment
- Success levels
- Actual income against contract target funding income.
- Standards of internal quality assurance (both curriculum and administration)
- Learner feedback (at workplace or by telephone or online learner surveys)
- Employer feedback (where appropriate)
- Learner progression

The Risk Factors associated with each sub-contractor will be discussed and recorded at review meetings and, where necessary, actions identified for the sub-contractor to undertake in order to reduce the level of risk.

Where a subcontractor is found to be providing a supply of services that does not meet agreed targets and expectations of quality, the College can terminate any agreements.

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9 Sub-contractors are required to ensure that:

- The College is provided with Individual Learner Record (ILR) data to accurately reflect the agreed sub-contracted delivery
- The College and funding agencies (or other bodies nominated by the College or agencies) have access to the sub-contractor's premises and all documents relevant to tracking learner's progress, funding claims and any other purpose relating to the agreed sub-contracted delivery
- The College has access to the sub-contractor's premises to monitor and quality assure the delivery of learning, including interviewing staff and students and directly observing the initial guidance and assessment (IAG) process
- All learners sign a learning agreement at the time of enrolment reflecting the outcome of initial guidance and assessment (IAG) and setting out their learning programme
- The agreed sub-contracted delivery is not further sub-contracted
- Funding for the agreed sub-contracted delivery is not "double-funded", i.e. learners are not funded by the ESFA at any other institution

10 Additional support for Sub-contractors

The additional support given to each subcontractor will be negotiated with that sub-contractor, but will be based on a risk approach and may include:

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

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 sub-contractor such as:

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

12 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 sub-contractors will be directed to it as the starting point in any relationship.

13 External Assurance

The College will undertake external assurance through an independent auditor to review sub-contracted delivery controls over all ESFA and GLA funded provision in line with ESFA and GLA guidelines for 2019/20.