

Sub-Contracting Policy

Version	Approved by Governance Board	Reviewed
001	February 2022	Feb 23

1. Purpose

The purpose of this policy is to ensure that all subcontracting provision managed by Southend Adult Community College is of an excellent standard and meets all statutory requirements of the ESFA (Education and Skills Funding Agency) to be in place before engagement in any sub-contracting activity. The organisation(s) that Southend Adult Community College contracts with will be subject to the requirements and conditions set out in this policy.

Southend Adult Community College is committed to delivering high quality courses to meet community and local employer needs, including those that are receiving their provision through one of our partners. Quality and success are key drivers to our provision and partners are required to adhere to our policies and procedures and engage positively in the process of continuous improvement and self-assessment.

2. Scope

This document applies to all Sub-Contracting activity supported with funds supplied by the ESFA.

The Sub-Contracting Policy is a mandatory requirement that must be in place prior to participating in any sub-contracting activity. The content of this policy has been developed in line with the ESFA Funding Rules.

3. The Policy

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

- Sub-Contracting activities comply with the principles of best practice in the skills sector. In particular, they will be guided by the principles given in the ESFA Funding Rules.
- Southend Adult Community College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential sub-contractors to ensure compliance 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.

- As part of the due diligence process, potential sub-contractors will be assessed on financial health, health & safety policies, insurance cover, safeguarding arrangements, equality and diversity policies and references will be sought on previous contracts held. Southend Adult Community College will ask for additional information and documentation as required to ensure the robust management of the sub- contracting process and delivery.

Any sub-contractors will be contracted on a limited basis and only when the best interests of Southend Adult Community College's community are served through the use of partners. Southend Adult Community College will only use sub-contractors when it believes it has the appropriate knowledge, skills and experience within the organisation to successfully procure, contract with and manage these sub-contractors. Southend Adult Community College has established procedures relating to the safeguarding of learners, which would include ensuring that sub-contracting does not lead to inadvertent funding of extremist organisations.

4. Rationale for Sub-contracting

Southend Adult Community College is committed to the high-quality delivery of a wide range of courses to meet its wider community needs, in line with the ESFA priorities and identified skills gaps. Where appropriate a small percentage of that delivery is delivered through high quality partners with the experience and expertise to meet specific learner needs.

Sub-contracted delivery is typically used to:

- Provide immediate provision to meet a specific identified need whilst reviewing the expansion of direct capacity.
- Provide access to, or engagement with, a new range of provision that Southend Adult Community College is not equipped to deliver.
- Support another provider to develop capacity/quality.
- Grow provision mix and provide customers with niche or specialist provision where the cost of developing or capacity to develop are not feasible.
- Support employers with a wide geographic requirement

Southend Adult Community College will not sub-contract just to meet short-term funding objectives.

Any sub-contracting arrangement entered into is subject to due diligence and is signed off by the governance group at Southend-On-Sea City Council. The Principal and Head of Finance & Operations will be required to sign-off contracts with sub-contract partners.

Contracts will determine clear start and end dates, exact or estimated learner numbers, content of delivery and related incomes and costs.

Contracts will be subject to change if necessary, during in the contract period and in consultation with partners where such changes improve quality or respond to unexpected events.

5. Quality Improvement

All learners who are provided with education and training under a sub-contract remain the responsibility of Southend Adult Community College. All learners and employers supported through sub-contracting arrangements are told about Southend Adult Community College's and the Sub-contractor's roles and responsibilities in providing the learning.

Sub-contracted activity is recognised as a fundamental part of Southend Adult Community College's provision. The quality of the provision will be monitored and managed in line with existing College Quality Assurance processes and procedures, as amended in order to fully encompass all sub-contracted activity. All Sub-contractor partners will be required to work with our Head of Quality to ensure that delivery in our name meets our robust requirements for experience and achievement.

This Policy positions sub-contracted provision as a core part of College activity to enable continuous improvements in the quality of teaching, learning and assessment for both Southend Adult Community College and its sub-contractors.

Southend Adult Community College will robustly manage and monitor all sub-contractors to ensure that high-quality delivery is taking place that meets the specific funding requirements for each programme delivered.

6. Publication of information relating to sub-contracting

In compliance with Education and Skills Funding Agency and other agency funding rules that apply, Southend Adult Community 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 the ESFA). This will only relate to 'provision sub-contracting' i.e. sub-contracted delivery of full programmes or frameworks. It will not include the delivery of a service as part of the delivery of a programme.

Southend Adult Community College will ensure all actual and potential sub-contractors have sight of this policy and any other relevant documents, specifically our formal Sub-Contracting Agreement which outlines:

- The percentage range of fees retained to manage sub-contractors, and how this range is calculated.
- Payment terms between Southend Adult Community College and sub-contractors – timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.
- The support sub-contractors will receive in return for the fees charged.

7. Communication

This Policy will be reviewed each year and updated as required. It will be published on Southend Adult Community College's web site. Potential sub-contractors will be directed to it as the starting point in any relationship.

8. Supply-Chain Fees and Charges Policy

Southend Adult Community College management fee is 20% of all funding drawn down against the provision to be delivered. Southend Adult Community College will have the option to increase or decrease the management fee in proportion to the risk, content, nature and distribution of the subcontracted delivery, determined by Southend Adult Community College with full Southend-On-Sea City Council governance group prior approval. This figure represents the total cost that Southend Adult Community College incurs in identifying and selecting a sub-contractor and providing quality assurance and oversight of the provision along with funding and data returns. This management fee includes the minimum amount of Quality Assurance activity that Southend Adult Community College would attach to the lowest possible risk sub-contractor.

Southend Adult Community College reserves the right to charge additional costs which may be added to the standard management fee to cover the cost to Southend Adult Community College of any additional support that Southend Adult Community College deems necessary to ensure the quality of teaching and learning and the success rates of any sub-contracted provision. Additional costs are unusual and partners will be informed in writing prior to them being incurred. All contracting is done on an annual basis and agreements will be recalculated and negotiated each year at contract renewal, giving sub-contractors the opportunity to reduce their fees through continuous improvement.

9. Payments

Payments to sub-contractors will be made monthly in arrears based on actual delivery recorded on the latest Individual Learner Record (ILR) information.

Southend Adult Community College reserves the right to withhold some monthly payment where errors or further clarification is needed to reconcile the ILR. Such amounts may be recovered by deductions from future payments to the partner under their agreement.

Southend Adult Community College shall make payment to any sub-contractor within 30 days of receiving a valid claim for payment.

All sub-contracted provision is subject to a full legal agreement with Southend Adult Community College and failure to meet robust quality requirements may result in the withdrawal of all funding.

10. Additional Charges per Learner

Southend Adult Community 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 Southend Adult Community College
- Internal Verification

Such payments will be agreed in advance and confirmed in writing.

11. Audit Requirements

Sub-contractor arrangements are subject to external audit, including Ofsted and all funding agencies. Co-operation with these processes is explicit within the contracting agreement.

When Southend Adult Community College enters into sub-contracts for the purpose of delivering provision under its ESFA Financial Memorandum with an aggregate value of £100,000 or more in any one year, it must obtain an annual report from its external auditors which provides assurance on the arrangements that Southend Adult Community College has in place to manage and contract its sub-contractors.

12. Review of Sub-Contracting Policy

This document is subject to annual review to ensure that the best interests of learners are met and that Southend Adult Community College and all of its provision meet the full requirements of the funding bodies. The policy will be reviewed and approved by the full governance group of Southend Adult Community College.

13. Roles and responsibilities

Head of Finance & Operations

- Sign off initial checklist prior to approval
- Participate in the subcontracting review panel before approval
- Review funding and financial records
- Contract management
- Lead on due diligence activities

Principal

- Strategic Curriculum Lead for subcontracted provision
- Participate in the subcontracting review panel before approval

Head of Quality

- Carry out a thorough Quality Cycle of the subcontracted provision
- Participate in the subcontracting review panel before approval
- Support intervention as required
- Reserves the right to end a contract if and when required
- Monitor risk and intervene where required

Head of Adult Skills

- Complete business case prior to approval
- Ongoing management of provision
- Complete site visit
- Hold bi-monthly contract visits on site
- Risk reporting
- Participate in the Quality Cycle as required

Head of Adult Learning

- Carry out a safeguarding and prevent review as part of the due diligence process

Operations & Funding Manager

- Maintain up to date learner records
- Management of enrolments
- Support the Head of Finance & Operations with contracts, funding and reporting