



Brockenhurst College

Reviewed by Standards & Finance
Committee 20 June 2019
APPROVED BY CORPORATION 9
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SUB-CONTRACTING POLICY

Introduction

The purpose of this document is to define the basis on which any subcontracting arrangements will be conducted and is a mandatory requirement to be in place before engagement in any sub-contracting activity. The organisation(s) that the College contracts with will be subject to the requirements and conditions set out per this policy.

Brockenhurst College is committed to high quality provision and an outstanding learner experience for all its learners, including those receiving their provision through one of our partners. Quality and achievement 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.

Scope

This document applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency (ESFA) or any successor organisations.

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 AoC/AELP Common Accord and the ESFA Funding Rules.

The Policy

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:

- 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 ESFA Funding Rules.
- The College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential 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.
- 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. Brockenhurst 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 the College's community are served through the use of partners. The 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. The 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.

Rationale for Sub-contracting

Brockenhurst College is committed to the high quality delivery of a wide range of courses to meet its wider community needs, in line with the funders' 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 the 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

The 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 appropriate member of the Senior Management Team. The Principal or Finance Director 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 where necessary in the contract period and in consultation with partners where such changes improve quality or respond to unexpected events.

Quality Improvement

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

Sub-contracted activity is recognised as a fundamental part of the 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 Assistant Principal (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 the College and its sub-contractors.

The 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.

Publication of information relating to sub-contracting

In compliance with 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 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 (for example, buying the delivery of part of an Apprenticeship framework or outreach support).

The 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 the 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.

Communication

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

Supply-Chain Fees and Charges Policy

Standard College management fee is 25% of all funding drawn down against the provision to be delivered but may be varied at the discretion of the College. This figure represents the total cost that the College incurs in effectively identifying, selecting and managing and administering all sub- contracted provision. This includes the minimum amount of Quality Assurance activity that the College would attach to the lowest possible risk sub-contractor.

The College reserves the right to cover additional costs which may be added to the standard management 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 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.

Payments

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

The 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.

The 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 the College and failure to meet robust quality requirements may result in the withdrawal of all funding.

Additional Support for Sub-contractors

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

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

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

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

Audit Requirements

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

When the 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 the College has in place to manage and contract its sub-contractors.

Review of Sub-contracting Policy

This document is subject to annual review to ensure that the best interests of learners are met and that the College and all of its provision meet the full requirements of the funding bodies.