

## Subcontracting Policy

### Scope

The policy applies to all subcontracted provision supported with funds supplied by the Greater London Authority (GLA), the Education & Skills Funding Agency (ESFA) or any successor organisations (“**the Funding Agency**”). It applies to delivery subcontractors, that is, any separate legal entity that has an agreement with the College to deliver any element of the education and training funded by the Funding Agency.

### Context

The policy is a mandatory requirement that has been in place prior to participating in any subcontracting activity since 2013-14 funding year. The content of this policy has been developed in line with the AoC/AELP Common Accord, the ESFA Funding Rules and the LSIS publication referred to below.

### Overarching principle

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:

- a) 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).
- b) The College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors 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.
- c) 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.
- d) Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the College will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of supply chains 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.

### **Rationale for subcontracting**

The College engages with subcontractors to better meet learner needs. Reasons for subcontracting include:

- To enhance the opportunities available to young people and adults
- To fill gaps in niche or expert provision, or provide better access to training facilities
- To support better geographical access for learners
- To offer an entry point for disadvantaged groups

All delivery subcontracting meets the College's strategic aims and enhances the quality of its learner offer.

### **Quality assurance**

Subcontracted provision is an important part of College activity. The quality of all subcontracted provision will be monitored and managed through the existing College Quality Assurance (QA) processes and procedures, as amended in order to fully encompass all subcontracted activity.

To enable continuous improvements in the quality of teaching and learning for both the College and its subcontractors the College will seek to promote the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process.

### **Funding retained by the College**

As lead provider, the College is committed to maximising the amount of funding that reaches front-line delivery of high-quality learning. The standard College funding retention is 15% of all funding drawn down against the provision to be delivered. This figure represents the total cost that the College incurs in effectively identifying, selecting and managing all subcontracted provision. This includes the minimum amount of quality assurance activity that the College would attach to a subcontractor presenting the lowest possible risk and covers other specific direct costs associated with operating the subcontracted provision as shown in the table below.

<b>Services provided by the College</b>	<b>Funding Retention</b>
Preparation of all subcontract documentation and processes	2%
Subcontract monitoring, review and performance management, including financial arrangements	2%
Quality framework, including support for improving the quality of teaching, learning and assessment	5%
Services provided by the College's MIS team: <ul style="list-style-type: none"> <li>• Course setup in College MIS</li> <li>• Provision of funding guidance and support relating to eligibility of learners and provision</li> <li>• Processing of enrolments</li> <li>• Preparation of funding submissions from subcontract hardcopy / electronic data</li> <li>• Recording and maintenance of learner attendance, progression and destination data</li> <li>• Processing certification of achievement</li> </ul>	6%
<b>Total</b>	<b>15%</b>

### **Difference in funding retained by the College**

Funding retained by the College may differ by individual providers. Differences would cover additional costs which may be added to the base 15% funding retention to cover any additional support that the College deems necessary to ensure the quality of teaching and learning and the achievement rates of any subcontracted provision.

The College will only subcontract provision to prospective partners deemed to be of high quality and low risk. This notwithstanding, the College recognises that there will be factors which may require different levels of funding retention to apply to different low-risk subcontractors. Such factors could include (but are not limited to) the following:

- Length and history of subcontracting contractual relationships with the College
- Financial value of the contract
- Volume of learners
- Subcontractor track record in meeting achievement rate and other quality targets
- Subcontractor track record in meeting financial targets

Where appropriate a higher level of funding retention up to a maximum of 20% may be applied to some subcontracts. A breakdown of the specific additional services provided and the funding retention applicable to these will be clearly shown in the subcontract. These could include:

- Additional site visits
- Additional learning walks / observations of teaching, learning and assessment
- Additional tutor support
- Additional funding and compliance support

## Support for Subcontractors

In return for the funding retained by the college, all Subcontractors will receive:

- A designated Partnership team
- Regular contract review meetings
- Data checks and support to resolve data queries
- Inputting of submitted paperwork
- ILR returns completed by the College's MIS team
- Monthly funding reports, e.g. devolved and main occupancy reports
- Access to learner support
- Regular performance and quality visits, including learning walks
- Audits of paperwork, processes and procedures
- Ongoing support to address areas for improvement
- Support where required with key quality processes such as self-assessment report (SAR) writing
- CPD opportunities which may be face-to-face or digital
- Updates regarding funding and policy guidance

## Charges for additional services to Subcontractors

The College may also make additional charges to cover the cost of any extra activities that it might undertake on behalf of the subcontractor such as:

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

## Payment terms

The standard payment terms are monthly in arrears based on actual delivery recorded on the College ILR. Full details of payments are included within section 4 and Schedules 1 and 4 of the contract between West Thames College and subcontractors. These are summarised below:

- The College and the subcontractor will agree a maximum contract value the details of which will be detailed in appendices to the contract.
- The College will pay monthly payments to the subcontractor which are calculated based on the Devolved Adult Education Occupancy Report and/or Main Occupancy Report available from the *Submit learner data* page of the GOV.UK website following submission of each monthly ILR return. These payments will take into account funding generated to date, cumulative funding retention and cumulative payments to date.

- In line with the ESFA funding methodology and formula applying to Adult Education Budget provision, 20% of the total funding is withheld until evidence of achievement is received.
- Invoices are payable within 30 days of the date of issue.
- Details of any rights by West Thames College to withdraw, reduce or withhold funding are published in the contract and relate to the protection of Funding Agency funds and not to the benefit of West Thames College.
- West Thames College expects subcontractors to fully assess the accuracy of payments and to have a responsibility to review their monthly financial reports to identify any inaccuracies.

### Publication and communication

The College will ensure all actual and potential subcontractors have sight of this policy. It will be published on the College [website](#) during the July prior to the start of the academic year in which it will be applied and potential subcontractors will be directed to it as the starting point in any relationship.

Alongside this policy, the College will also publish a complete list of its subcontractors and the actual level of funding paid and retained for each.

### Review

This policy will be reviewed annually by the Executive Director – Finance, HR & Development and will be updated as required.

Last review: June 2021

Next review: by 30 June 2022

### Approval

This policy is hereby approved by the College's Chair of Corporation and Accounting Officer.

Signed: 

Position: Principal

Date: 30 June 2021

Signed: 

Position: Chair of Corporation

Date: 30 June 2021