



NORTH SHROPSHIRE COLLEGE

SUB-CONTRACTING POLICY 2017/18

DOCUMENT CONTROL

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Where published	Staff intranet
Equality Impact Assessment	Form A completed Form B not required/ completed <i>add date</i>

Equality and Diversity	All employees and learners will be treated equally under this Policy. Due regard will be paid to any special circumstances and learners and employees will not be discriminated against on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.
Impact Assessment	This policy has undergone an Equality Impact Assessment (EQIA). This process considered the discriminatory or negative consequences for a particular group or sector of the community on the grounds of race, disability, gender, age, religion and belief and sexual orientation. The outcome of this EQIA is that there are no negative consequences in the case of this policy.
Purpose	To ensure the college is demonstrating due diligence in selecting appropriate subcontractors that match the college values and ethos in delivering high quality training and education, and monitoring that delivery throughout the terms of the contract.
Scope	The policy applies to all sub-contracted education and training activity supported with funds supplied by the Skills Funding Agency, the Education Funding Agency or any successor organisations.

Context

The policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2014. The content of this policy has been informed with reference to the model policy developed by the Association of Colleges taking into account the A0C/AELP Common Accord, and the **ESFA Funding rules**.

The policy will be published on the College's website (www.nsc.ac.uk) and shared with all new sub-contractors.

Overarching Principle

The College will use sub-contracting as appropriate to optimise the impact and effectiveness of service delivery. The College will therefore ensure that:

- a. 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 DFE Sub contract funding guidance for **17/18**
- b. The College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential new 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. Where appropriate (i.e. for sub-contractors with contracts worth more than £100,000) we will take account of the **ESFA's** due diligence process.

- c. The funding that is retained by the College will be related to the costs of the services provided and the risks associated with the sub-contract. 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 and take into account where appropriate fees from employers and learners.
- d. Where disputes between sub-contractors and the College arise which 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 for all new sub-contracts will require both parties to agree that the benefits of 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 sub-contracts will be conducted in good faith in accordance with the overarching principle.

Rationale for Sub-contracting

The College engages with sub-contractors to better meet the needs of learners and employers and to help fulfil the strategic objectives set and reviewed each year by the College. The main reasons for engaging in sub-contracting include:

- To temporarily expand provision to meet a short term need where there is demand from learners or employers.
- To provide access to funding for smaller training providers who offer a good quality service to local communities / employers which complements the College's mainstream training provision
- To providing access to, or engagement with, a new or hard to reach range of learners where this meets a priority need which cannot readily be serviced by the College's own in-house delivery

- To ensure delivery intention is met where there is a recognised risk in direct provision
- To support another provider to develop capacity/quality, particularly where this can add value and complement in-house delivery by the College
- To provide niche delivery where the cost of developing direct delivery is inappropriate
- To support employers with a wide geographic requirement which cannot readily be met through a single contract

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 College's 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, for example through the Self-Assessment Report (SAR) process.

Sub-contractors will be required to comply with College Quality Assurance standards including:

- i. Effective arrangements for initial advice and guidance including where required by the SFA Matrix Accreditation
- ii. Appropriate screening for learning difficulties and disabilities with effective measures to meet identified needs
- iii. Timely and accurate data capture including all enrolment, attendance and achievement data
- iv. Effective tracking of learner progress with provision of timely and accurate information to the College
- v. Deployment of appropriately qualified delivery staff
- vi. Participation with the College's systems for quality assurance including spot visits, lesson observations and input to the self-assessment process

vii. Participation with any external reviews, audits or inspections including Ofsted

viii. Participation with any quality improvement activities identified

The College will seek to work in partnership with the sub-contractor to improve the quality of their provision. This may include:

- pre-contract activity to assess the capability, capacity and readiness of the sub-contractor to deliver the proposed learning (See Appendix 1 for due diligence information requested)
- contract reviews which are undertaken on a monthly basis (proportionate to contract value) which encompass the quality of provision delivered, learner progress, teaching and learning and contract performance (see appendix 2 for agenda for subcontractor monthly meetings)
- advice on the quality of provision and ways to improve working between the College and the subcontractor

Investigations of the sub-contractor may be undertaken under certain circumstances if there are indications or evidence to suggest that:

- i. The sub-contractor has been awarded an inadequate grade by Ofsted
- ii. Any financial irregularities or inappropriate practices are operating
- iii. Sanctions have been placed on the sub-contractor by an awarding body
- iv. Recorded training delivery has not taken place
- v. Learner feedback is below acceptable levels

On-going non-compliance will trigger the operation of remedial clauses included in the contract and suspension of payments.

Publication of information relating to sub-contracting

In compliance with ESFA and other agency funding rules that apply, the College will publish its Sub-contracting Policy for all new sub-contracts on its website before the start of each academic year. We will also publish actual end-of-year sub-contracting fees and charges in future years.

Publication 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. A copy of the policy will be shared with SFA officers in advance and provided to all new sub-contractors.

The College will ensure all new actual and potential sub-contractors have sight of this policy and any other relevant documents, such as the Fees and Charges Risk Factor Table. The Fees and Charges Risk Factor Table includes:

- The typical percentage range of fees retained to manage sub-contractors, and how this range is calculated (for example taking into account fees from learners / employers as well as funding)
- The rationale used to determine the level of fee retained through each sub-contract is a risk based approach
- The contributory risk factors that would result in differences in fees charged for, or support provided to, different sub-contractors includes:
 - Previous track record
 - Success levels
 - Type of customers to be engaged
 - Type of provision to be undertaken
 - Contract duration and size
- The risk bands that will be used to allocate College charges. Risk factors are given a score so that each sub-contractor is aware of why they are in a particular band, this process will be used to give sub-contractors an incentive to improve and thus reduce the risk band that they fall in. For example, higher risk sub-contractors will be allocated less funding but receive more monitoring and support.

Payment Terms

For all sub-contractors, the College will normally provide a funding report. First report is published in December of each academic year and further reports published in line with the college ILR returns. **Funding Reports** set out the funding generated to help establish payments due. Any amounts withheld will be identified where further evidence is required. Subject to the College being satisfied with the quality of the sub-contractors provision for the month, the payment will be made to the subcontractor, based on the invoice raised to North Shropshire College. All invoices require a purchase order number obtainable from the college finance department. The college will make payments within 30 days of receiving the invoice assuming all contractual processes and ESFA rules are complied with.

The College may 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

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.

Additional Support for Sub-contractors

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

- Additional support / training with advice and guidance
- Advice and support with the processing of enrolment, attendance and achievement data
- More frequent progress review meetings
- Additional site visits and more focussed input from the College's Quality Assurance team
- Additional lesson observations
- Additional tutor support including where appropriate input from teaching and learning mentors
- More rigorous verification

The risk band will be determined using the table set out in **Appendix 3**.

Appendix 1

Due Diligence Checklist for Subcontracting 2017/18

Can you please provide the following documents / evidence for the due diligence process for subcontracting with North Shropshire College for 2017/18 academic year.

You will need to complete this pro-forma and sign the declaration at the end.

Please return this to Karen Roberts, Assistant Principal Curriculum, k.roberts@nsc.ac.uk

Organisation Name:
Proposed Subcontracting value 2017/18:

Evidence required	Comments / Response	File name (if appropriate)	NSC Use only
Financial / Governance			
1. Previous 2 years financial accounts & cash flow			
2. Have you had any county court judgements in the last 5 years?			
3. If yes are any unsatisfied?			
4. What is the legal status of your organisation?			
5. What other contracts do you hold with the ESFA or other college's for subcontracting			
6. What subcontracting contracts have you had in the last 3 years and why were they terminated if no longer valid.			
7. Please disclose your Directors names and your senior managers, with details of any previous appointments with organisations who have held or hold funding agreements with the ESFA.			

Evidence required	Comments / Response	File name (if appropriate)	NSC Use only
8. What is your capacity to deliver the amount stated above and any other work you are committed to deliver with other partners or funding allocation you have direct from ESFA?			
9. Are you party to any litigation which might affect your ability to deliver the proposed contract?			
Health & Safety & HR			
1. Can you send your Health & Safety policy and identify your H&S officer.			
2. Can you send your latest H&S risk assessments that will cover the proposed delivery for the subcontracting courses for 2017/18			
3. Can you please declare any reported injuries, diseases and dangerous occurrences covered by the RIDDOR regulations, together with the actions you have implemented to prevent reoccurrences for the last 3 years.			
4. Do you comply with the legislation for employment including volunteers?			
5. Can you send through the DBS references for all staff you will be employing to deliver the qualifications for subcontracting, along with their dates of birth and 2 references?			

Evidence required	Comments / Response	File name (if appropriate)	NSC Use only
6. Do you comply with legislation on immigration?			
7. Can you send your Equal Opportunities/Equality and Diversity/Access Policy please?			
8. Can you send your policy on Safeguarding and PREVENT and identify your safeguarding designated lead?			
9. Can you send your policy on preventing bullying and harassment?			
10. Can you send your policy on data protection legislation compliance? Who is your data protection officer? What computerised system do you intend to store data on the learners you will deliver to?			
11. Do you intend to subcontract any part of the provision to another provider?			
Quality			
1. Please state the staff responsible and authority they have in relation to the programme(s) being proposed			
2. State how you are going to provide an effective communication system between all levels of staff and in all directions (including satellites, placements and peripatetic staff)			

Evidence required	Comments / Response	File name (if appropriate)	NSC Use only
3. How is time allocated for regular team meetings for staff involved in the teaching, assessment and internal moderation of the programme			
4. What induction information is available for new staff members			
5. Please attach you appeals procedure that will be available to all candidates			
6. How are learners given appropriate advice and guidance to determine needs and prior learning has been recognised and recorded, where appropriate/relevant?			
7. Please disclose how your tutors are occupationally competent to deliver the course(s), include copies of CVs			
8. Please include copies of your Internal Moderators/Quality Assurers to demonstrate their occupational competency.			
9. Describe the physical resources you provide that are appropriate to the course(s) intended to deliver.			

Evidence required	Comments / Response	File name (if appropriate)	NSC Use only
10. Please send in you last Standards/External verification reports for the courses you intend to deliver. If this is a new course please send in your last Standards/External verifiers report.			
11. We agree to at least one quality assurance visit during the process where learning walks / observations, standardisation of marked work, and auditing of record keeping will take place by NSC quality team and will complete a QA report in negotiation with you as the subcontractor.			

I (insert name) on behalf of (insert organisation name) do declare that the information I have given above is correct at the time of completion.

Print Name: _____

Signed: _____

Date: _____

NSC Use only

Date Received: _____ Approval decision made by: _____ Signed: _____

Decision to approve: YES / NO Amount Approved: _____



Appendix 2

Subcontracting Agenda

1. Current enrolments
2. Reconciliation for invoice for month
3. Review contract delivery for current year
4. AOB
5. Date & time next meeting

APPENDIX 3

The Fees and Charges Risk Factor Table

Standard college management fee is 15% of all funding and fees 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 sub-contracted provision. This includes the minimum amount of QA activity that the College would attach to the lowest possible risk sub- contractor. **With organisations other charges may be in place and negotiated with each organisation separately.**

Further charges to cover additional costs may be added to the base 15% 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 cost is agreed direct with the sub-contractor. One option is to apply a weighted table of risk factors.** The table is available to all new and potential sub-contracts. It is designed to ensure that the cost of any additional support provided to a sub-contractor is covered through the funding retained. Additional costs will be recalculated and negotiated each year at contract renewal, giving sub-contractors the opportunity to reduce their fees through continuous improvement. This approach will allow the College to focus support where and when it is needed.

Overall Rating	Score	Definition
Previous track record	4	Past quality and audit issues
	3	Past quality or audit issues
	2	No previous track record with NSC
	1	Good previous track record
Success levels	3	Success rates below national averages
	2	Success rates at or around national averages
	1	Success rates above national averages
Type of customers to be engaged	3	Wide geographical spread
	2	Local catchment / diverse range of clients
	1	Local catchment / well defined range of clients
Type of provision to be undertaken	3	Workplace learning
	2	Learner responsive – long courses
	1	Learner responsive – short courses
Contract performance and duration	3	Issues with timing and meeting contract
	2	Issues with timing or meeting contract
	1	No issues with timing or meeting contract
New sub-contractor (first engagement)	3	Sub-contractor new to NSC and SFA
	2	Sub-contractor new to NSC
	1	Sub-contractor not new to NSC or SFA
Contract size	3	Small contract (below £35,000)
	2	Medium contract (between £35,000/£100,000)
	1	Large contract (over £100,000)

Total Score 10 or below = low risk (nil or minimal additional fee)

Total Score 11 – 15 = medium risk (additional fee up to 10%)

Total Score above 15 = high risk (additional fee up to 25%)