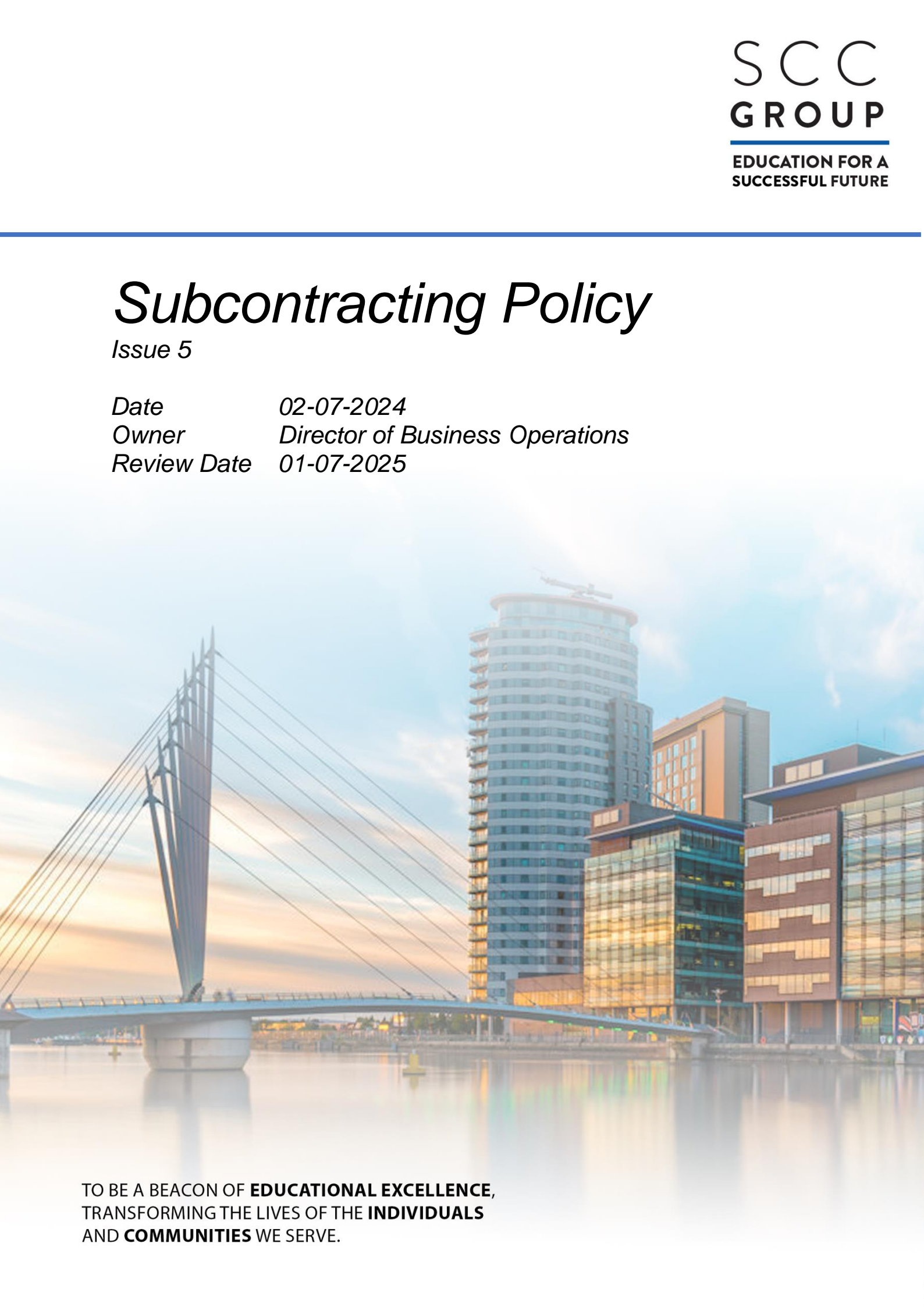


Subcontracting Policy

Issue 4

Date *04-07-2023*
Owner *Director of Operations Management*
Review Date *01-07-2024*



TO BE A BEACON OF **EDUCATIONAL EXCELLENCE**,
TRANSFORMING THE LIVES OF THE **INDIVIDUALS**
AND **COMMUNITIES** WE SERVE.

1. Scope

The policy applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency, Greater Manchester Combined Authority or any successor organisation.

2. Reference

The Subcontracting Policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity from 1st August 2013. The content of this policy has been developed in line with the relevant Funding Education & Skills Council (ESFA) and Greater Manchester Combined Authority (GMCA) Rules.

3. Documentation

The policy will be made available on the SCC Group intranet and hard copies will be available on request. This will also be available on the SCC Group Website.

4. Monitoring and Review

The policy will be reviewed on a regular basis in accordance with legislative developments and the need for good practice.

Responsibility for review:	Director of Operations Management
Review Date:	July 2024
Endorsed by:	Group Principal Senior Leadership Team Corporation
Owned and Authorised by:	Director of Operations Management
To Ensure:	Compliance with the College's Financial Regulations and ESFA & GMCA Funding Agency rules.

Overarching Principle

This policy outlines the approach Salford City College will take in regards to sub-contracting Education and Skills Funding Agency (ESFA) and Greater Manchester Combined Authority (GMCA) provision.

This policy compliments our strategic priorities to grow in key markets. Our aim is to build long term partnerships with providers who can complement and strengthen our offer to meet local needs and support Government priorities, and who can engage with learners for whom the College environment is not conducive to their cultural and social needs.

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.
- 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 relevant funding body rules and ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
- 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.
- 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.

This policy should be read in conjunction with the College's Supply Chain Fees and Charges Policy.

Reasons for subcontracting

The College recognises the need to offer as diverse a range of provision as possible, in as flexible and cost effective a way as possible. By working in partnership with subcontractors the College is able to provide the following:

- Training linked to employer demand throughout the Salford and Greater Manchester region.
- Opportunity to develop the College offer in new or diverse markets.
- Community engagement offering non-accredited provision in the most deprived areas of the city such as those areas identified as cold spots for provision.
- Access to new cohorts of learners who would not otherwise be able to access the College.
- Opportunity to increase the College's reach, including those who are unable/unwilling to attend main College sites, by offering flexibility in delivery of provision at times and venues convenient to learners and employers.
- Access to key target learner groups throughout the City.
- Progression into employment or education, particularly onto College programmes such as HNC/HND.
- Well established, bespoke facilities and staff expertise to support good teaching and learning.

Due Diligence

A robust process is in place to identify and contract with new partners. The Supply Chain sub-contracting policy is discussed with potential partners during early negotiations. A due diligence process takes place that includes (but is not limited to) legal, financial and quality checks, includes an initial quality visit, declaration of any conflicts of interest and reference checks. Credit checks are obtained for all sub-contractors and a risk-based approach would be used for any businesses for which the credit rating was low or the company was newly formed. We will not award or a renew a subcontract to any organisation if:

- they have an above-average risk warning from a credit agency
- they have passed a resolution (or been ordered to) to wind up or liquidate the company, or administrators have been appointed
- Its statutory accounts are overdue

All this information would be considered before the College made a decision of whether to contract with the partner.

In line with ESFA policies, all organisations considered for sub-contracted provision must hold a valid UKPRN number, Approval for sub-contracting must be sought and granted by the ESFA prior to the commencement of any partnership activity. ESFA funded subcontractors will be subject to scrutiny as per the ESFA Subcontracting Standard. In line with GMCA Policies all subcontractors must be approved on the Delivery and Financial schedule submitted to GMCA prior to commencement of the contract.

At the end of the year, we will publish data on actual level of funding paid and retained for each sub-contractor.

Improving Quality

The College is committed to continual improvement in teaching and learning, both in its own direct provision and in its subcontracted provision. A range of approaches are employed in order to do this, such as session observations and Self-Assessment Reports. The following processes are in place to help monitor the quality of subcontracted provision, and actively improve quality on an on-going basis:

- A robust schedule of Quality Assurance Audits that are carried out throughout the year.
- Annual Reviews with target setting.
- Regular monitoring meetings between the College and all its subcontractors (with a minimum of one per term).
- Training and Development workshops (as appropriate).
- Performance Management Framework, where applicable.

Fees

The fees are set out in the Supply Chain Fees and Charges Policy. A standard College management fee of 15% of all funding drawn down against the provision will be applied as a benchmark figure. This figure has been calculated as a representative cost to the College in effectively identifying, selecting and managing these contracts. The College will individually assess each sub-contractor prior to any and each agreement with that sub-contractor and an open rationale will be used to determine the level of management fee retained by the College.

In some cases an Additional Management Fee of 5% may be charged if the College undertakes further functions in terms of managing the sub-contracted provision, such as, but not limited to:

- Registering learners with awarding bodies.
- Incurring the cost of examination fees.
- Responsibility for Internal Quality Assurance of provision.
- Increased Quality Assurance Audits if provision is new or is underperforming.
- Additional support necessitated due to sub-contractors' poor performance (in relation to delivery of provision, poor achievement rates or administration processes linked to provision).
- Type of provision, for example more resources will be required to manage the administration of apprenticeship programmes than some other types of programmes.
- New subcontractor due to the increased administrative burden and higher risk resulting in increased monitoring.

In these cases, an Additional Management Fee will be applied to the sub-contracted provision as well as the Standard Management Fee. This fee will be agreed with sub-contractors prior to the issuing of contracts, and will be reviewed prior to annual re-

contracting. Such arrangements are expected to be in place for a year but with a view to them reducing subject to satisfactory evidence being collected during the year.

Payment Terms

Payment terms will be dependent upon the type and length of provision sub-contracted. Payments will be made monthly based on income generated in the latest ILR submission, and upon receipt of a signed claim form from the partner, confirming all details on the claim form are correct. When the learner achieves, a certificate of achievement or other acceptable awarding body documentation must be submitted. Further information on payment terms is set out in the Supply Chain Fees and Charges Policy.

Intervention aligned with the SCCG Performance Management Framework

When a sub-contractor is not performing according to contract or there have been other significant issues identified which may be of a financial, quality or audit nature, intervention by the college may include:

- Action plan with or without identified support.
- Financial penalty.
- Quality “notice to improve” issued.
- Higher management fee imposed with mandatory support.
- Termination of contract.

If, for any reason, either party terminates the contract, the College would assume responsibility for the delivery of the remainder of the learner programme. Should the College not have the relevant resources to perform this, the College would source an alternative provider or retain specialist teaching expertise and/or specialist equipment to ensure that the learners complete their programmes without disruption, whichever is more cost-effective. Any provision planned but not yet started will be cancelled and the project closed. A detailed contingency plan is in place to deal with this eventuality.

Prevent

The College will work with sub-contractors to promote the Prevent Strategy and any concerns raised with regard to financial irregularity or misuse of funding will be immediately reported to the relevant authority.

Policy Review

The College will review this policy annually.