

Subcontracting Supply Chain Policy 202~~3~~²-2~~4~~³

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1. Scope

This Subcontracting Supply Chain Policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity ~~from 1st August 2019~~. The content of this policy has been developed in line with the ESFA Funding Rules, the LSIS Supply Chain Management document and the AOC/AELP Common Accord.

This policy relates to activity funded through the **Education Skills Funding Agency (ESFA)** whereby Hull College enters into a subcontracting agreement with a supplier for Apprenticeship or Adult Skills recruitment and delivery.

This policy provides consistency of approach and transparency for all sub-contractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to sub-contracted provision under Hull College's direct contract with the ESFA.

2. Rationale for Subcontracting

Hull College;

- Recognises the benefits that effective subcontracting can bring to extending the accessibility and range of provision for learners, and thereby contribute to the economic prosperity.
- Uses subcontractors to widen participation amongst learner groups that it would otherwise be "hard to reach" and other individuals that face barriers to participation in learning and work.
- Uses subcontractors as appropriate to fill gaps in, and to extend the breadth of its provision: for example, through widening the range of ~~apprenticeship frameworks~~ qualifications and standards offered to employers and learners, as well as ~~and~~ broadening the range of sector subject areas or business sectors that can be covered, especial in niche areas.
- Support individuals who share protected characteristics, where there might otherwise be gaps.
- Enhance opportunities available to learners.

3. Equality Impact Statement

- We have a duty to consider the impact of changes on groups with Protected Characteristics (race, disability, age, sexual orientation, religion or belief, gender reassignment, pregnancy and maternity, marriage and civil partnership)

4. Communication

- —The college will communicate and discuss the subcontracting policy with existing and potential delivery subcontractors through regular business review meeting (for existing sub-contractors) and for potential new sub-contractors this will be carried out at on boarding meetings.
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5. ~~EQ~~Quality Improvement

Hull College is committed to continuous improvement in the quality of education, both in its own direct provision and in its sub-contracted offer; to this end Hull College:

- Actively works with subcontractors to improve the quality of their teaching ~~and learning~~ and assessment, they deliver and thereby improve the overall quality of teaching and learning for all College learners.
- Undertakes observations-quality assurance on all aspects of ~~teaching and learning~~ the learner journey, including information, advice and guidance, progress reviews and assessment.
- Provides timely and meaningful feedback to both subcontractor and delivery staff on all quality activities, with ~~and observations-learning walks and deep dives are~~ incorporated into the College quality calendar, in order that improvement actions impact both internal and subcontractor quality.
- Carries out learner voice surveys to gather feedback from learners.
- Supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.
- Supports subcontractors to develop an effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) and will incorporate subcontractors' SARs and QIPs into the whole College SAR.
- Under takes a regular schedule of quality reviews including Performance Review Boards, Learning Walks, Deep Dives and associated Continuous Professional Development (CPD) with subcontractors
- Undertakes regular mandatory training and development for subcontractors, as well as provides options for ongoing CPD

6. Fees and ~~claw back~~ claw back

- Hull College ~~will anticipate that it will~~ retain a standard Management Fee of 17.5% of funding for Apprenticeships and a 20% Management Fee for Adult Education Budget in 20231/20232.
- The Management Fee is calculated based on the level of resource required: to manage effectively the individual subcontractor relationship; to ensure funding returns and requirements are met and to ensure that the high quality of delivery to learners is maintained and that any risk to the College and Education Skills Funding Agency is mitigated.
- Hull College will ~~retain~~ hold a 10% retention fee which will be returned at the end of the contract year, subject to subcontractors achieving all contract key performance indicators as outlined in their contract
- Claw back will be applied to subcontractors who under deliver, cannot provide appropriate evidence of ~~learning and learning; and / or as a result of because of~~ internal and external audits

7. Costs for Managing Sub-contractors.

- Hull College will provide a detailed breakdown of all quality monitoring activities and other specific costs in all subcontracting contracts. The costs are determined by a percentage of staff costs and relevant overheads. This will be communicated to all subcontractors prior to entering into a contract annually a standard management fee is applied to all contracts and is the proportion of ESFA funding retained by the College to cover standard costs incurred. These costs include:
 - Due diligence checks including credit checks, compliance with government returns (i.e. VAT, Tax and Companies House returns annually prior to re-contracting
 - Administration including MIS tasks to create a new course offer annually, processing learners onto the ILR and making all necessary changes and checks to allow for funding claims
 - A link manager for each subcontractor who will carry out all your curriculum and quality checks and panels and due diligence and contract management
 - Contract compliance, quality and performance review management meetings, involving link manager, quality and MIS representatives
 - Strategic review and curriculum planning meetings to identify opportunities for development
 - Termly Performance Review Boards and action plans
 - Travel to sub-contractor and delivery premises
 - Checking learner eligibility, existence, funding, accuracy and timeliness
 - Monthly reconciliations to ensure accuracy and timeliness of data
 - Quality audits, in line with the College's quality calendar
 - Announced and unannounced audits and learning walks, with checks on student attendance and constructive feedback to improve the quality of teaching, learning and assessment
 - Learner surveys to gain feedback and satisfaction rates about the learner experience
 - Internal and external audits of compliance with the Subcontracting Standard
 - Sharing of Good Practice

8. Support Provided to Subcontractors

Hull College:

- Has ~~an Executive Director of Adults and Employability Head of Stakeholder Engagement Manager~~ to manage the relationship with every subcontractor, including the co-ordination of Due Diligence process and regular Contract Monitoring Meetings with every subcontractor.
- Has a Vice Principal of Quality and ~~Programme Quality~~ Programme Quality Leads, to ensure that the quality of every subcontractor's teaching, learning and assessment meets the College standards and to support the continuous improvement of the subcontractor's provision, including any relevant staff training and CPD opportunities.
- Has a Director of Funding and Information to ensure the timely and accurate recording of student information on the College's ILR.
- Commits to undertake a regular and substantial programme of quality assurance checks on the education and training provided by subcontractors, including visits at short or no notice and face-to-face interviews with staff and students. These checks include whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes.
- Ensures that ~~all of~~ all the subcontractor's delivery meets the ESFA's Funding Rules.

9. Payment Terms

Payment terms and method of calculation are made in line with the contract. Payments will be made ~~on a monthly basis~~ monthly, at the end of the month following the delivery period, which has been validated and payment confirmed by the ESFA. Payments will be made based on the funding confirmed and received, less the applicable Management Fees and retention.

10. Communication

This policy is updated annually and available on the College website www.hull-college.ac.uk

11. Policy Review

The fees and charges policy will be routinely reviewed annually, however, may be reviewed in-year in response to any relevant changes in government policy or funding rules.

12. Due Diligence

The college has a due diligence framework which it uses annually with its approved sub-contractors, prior to any new contract issue.

We are not seeking any new subcontracting partners for 2023/24.

If in future we require any subcontracting the college will publicise the opportunities on its

~~partnership webpage, which will also specify the method of application, scoring criteria and key dates and deadlines. To be considered for subcontracting please contact the College at Amy.dury@hcuktraining.co.uk.~~ The process for bidding to become a subcontractor will involve, as a minimum:

Completion of ~~Due Diligence Application Form~~

Satisfactory annual accounts for the last accounting year

Satisfactory credit rating

Satisfactory track record of delivering government funded training e.g. achievement rates

~~As a minimum, all subcontractors will be required to re-validate their due diligence every year.~~

13. Intervention

When a subcontractor is not performing according to contract, or there have been other significant issues and/or 'causes for concern' identified which may be of a financial, quality or audit nature, the ~~Apprenticeship & Subcontracting Contract Manager~~ Executive Director (Adults and Employability) will refer the matter to ~~the Commercial Director of, Director of Finance Vice Principal or Principal and the Executive Team and / or Principal / CEO,~~ as appropriate.

Action taken may include, but not limited to:

- ~~The production of an Action Plan, with or without identified support.~~
- Enhanced monitoring and reporting
- Financial penalty
- ~~A Support to Improvement Notice and process commenced~~ issued
- Higher Management Fee imposed, with mandatory support
- Termination of contract

14. Using Subcontractors in the Delivery of Apprenticeships

~~From the outset of each apprenticeship, the College and employer will agree a plan for its delivery. The College must directly deliver some of the apprenticeship training and/or on-programme assessment associated with each employer's apprenticeship programme. The volume of training and/or on-programme assessment that the College will deliver for each employer will have some substance and will not be a token amount.~~

The College may use delivery subcontractors to complement its own delivery, if requested by an employer and agreed at the start of an apprenticeship. Within an employer's apprenticeship programme, delivery subcontractors will usually deliver ~~either substantial or a specialist~~ part of the apprenticeship training for ~~frameworks and~~ standards. The scale and make-up of an employer's programme may vary from month to month or from year to year.