

Sub-Contractor Policy

REF NO. QTL-MSS-020

Approved by Senior Leadership Team

Strategy/Policy Responsibility: Senior Leadership Team (SLT)	
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SUBCONTRACTOR POLICY

Context:

Sutton College is a local authority maintained College providing Adult & Community Learning for Adults living and working within and around London and specifically South London.

Sutton College's vision is to engage, challenge and inspire individuals, communities and employers through learning and training.

Sutton College is committed to developing a sustainable and reliable supply chain to enable proactive planning, learning and training.

Sutton College operates as a Prime Training Provider where the majority of provision is delivered directly by the College and an agreed proportion of the funding is delivered via subcontracted organisations through a framework of approved providers.

The policy relates to activity funded through the Education & Skills Funding Agency and any other government funded provision whereby Sutton College enters into a subcontracting agreement with a supplier to deliver activity. This policy is effective from 1st August 2022. This policy will be reviewed at least annually and is published on Sutton College website www.suttoncollege.ac.uk

Purpose of Policy

The purpose of the policy is to ensure the effective management of subcontractors to reduce and mitigate against potential risks to Sutton College and main contractor funding bodies. It also sets out a framework for ensuring the quality of the provision provided by the subcontractor. The policy and processes also adhere to the following underlying principles:

- To ensure compliance with all legal and contractual requirements
- To achieve value for money
- To conduct all activities in a collaborative manner with integrity at all times
- To apply open, fair, transparent and non-discriminatory practices
- To undertake a thorough risk assessment of the full supply chain and manage any risks accordingly

Rationale for Use of Subcontractors

Sutton College uses proven high-quality subcontractors with rigorous quality assurance checks made to supplement the services offered in the College.

The strategic decision was taken in 2013/14 as part of the long-term College investment in developing a response to workplace activity. The growth strategy of the College is based on development of a range of different approaches and subcontracting is valued as a prudent way of growing a market that the College did not initially have a great deal of experience in. Now the College is more experienced it wishes to continue with the strategy working with the same subcontractors as a successful approach to developing workplace provision.

As a result of using subcontractors, the College has enjoyed the opportunity to reach markets previously untapped and has been able to respond to local and regional priorities mainly in the care sector by using subcontractors. This offers local employers access to

apprenticeship programmes where previously there were limited options available in the area. This increased employer engagement feeds into our curriculum planning regarding desired work skills and knowledge required by local businesses and to boost employability of the local potential workforce.

In working with locally based subcontractors, the College is supporting independent providers and working in partnership, sharing training, upskilling their staff which means there are strong links in the local borough between providers.

Subcontractor Approval and Due Diligence

Prior to any delivery, all subcontractors undergo a comprehensive Due Diligence process. Subcontractors are selected on the basis of their financial viability, track record, the type of provision being delivered, quality assurance framework to ensure Sutton College is able to effectively respond to employer and learner demand whilst reflecting national and local skills priorities.

- Capacity to deliver
- Ability to deliver
- Organisation track record including success rates and retention
- Self-assessment reports and quality improvement plans
- Proposed delivery model size of contract allocation
- Geographical coverage

Subcontractor Management & Monitoring

Each subcontractor will have an identified main point of contact for administration and management which is specific to the contract being delivered.

An agreed reporting structure for each contract will be developed and based on contract requirements and subcontractor risk assessment. Each subcontractor will be subject to monthly reviews and checks and audits during the life of the contract.

Sutton College will manage and monitor subcontractors to ensure that the following standards are met:

- The subcontractor is demonstrating value for money
- The subcontractor is compliant with all contract requirements
- The subcontractor is delivering a quality programme
- The subcontractor is achieving the minimum standards of performance
- Further commissioning of supply services will not be permissible without the approval from Sutton College which will give due consideration to any specific contract requirements

Management Fees

The management fees charged by Sutton College cover all activity undertaken by the College in support of the subcontractor with the exception of services listed under 'Additional Services'.

The standard fixed management fee that will apply to subcontracted activity should typically be 20%. This can vary according to the level of advice, guidance and support required by the subcontractor and this level will be decided by the College based on any specific contractual requirements.

Activities undertaken by Sutton College as part of the management fees are referred to in Appendix 1.

Management fees will be deducted at source, based on the ESFA reports received following data submitted in the monthly ILR.

Sutton College will make monthly payments to subcontractors based on the correct submission of data and documentation as agreed to validate learning delivery.

All funding claims must comply with the current Education & Skills Funding Agency or other funding bodies' funding rules and the terms of the agreement between the College and the subcontractors. Where funding claims cannot be substantiated, Sutton College will adjust or reclaim any funds from the subcontractor, and where required, make an appropriate repayment to the Education & Skills Funding Agency.

Subcontractor Support & Capacity Building

Sutton College has a responsibility to support all subcontractors to develop and deliver high quality provision that meets the needs of learners and exceeds the expectation of employers and learners. The management fee deducted from allocated funds is used directly to provide a comprehensive programme of support and compliance measures to ensure that funds are protected and used effectively.

The exact mix of support will vary depending on the needs of individual subcontractors.

Allocation of Contract Values to subcontractors

The College tracks and scrutinises the monthly performance monitoring data and measures the continued success of the subcontractor against this. This includes the monitoring of KPIs such as retention, achievement and timely achievement. All monitoring and reporting is shared with the subcontractor.

The College also considers carefully the capacity of the subcontractor and regular quality assurance meetings with subcontractors evaluates the staffing and capacity which influences contract allocation.

Due diligence checks are carried out for each subcontractor on an annual basis, and this also influences the decision to re-engage and apportion any further contract value to the subcontractor.

The monthly performance monitoring data is reported to senior managers at the College and is scrutinised and interrogated.

Payment Terms

Sutton College will make payment to subcontractors each month for the previous month. Payment is subject to the correct evidence and data being provided to Sutton College by the agreed monthly deadline, and on receipt of an invoice from the subcontractor. Adjustments may be made to specific invoices and payments where evidence of eligibility, participation or

achievement cannot be validated by the College. Any amendments will be based on guidance provided by the current version of the Education & Skills Funding Agency Funding Rules or other relevant funding body.

Invoices from subcontractors will be paid in line with our negotiated terms & conditions for our individual subcontractors, barring any need for further clarification of the information provided by them.

The contract values and subcontractor information for our current subcontractors is published on our website.

Policy Review & Publication

The policy will be reviewed annually each year, and any changes notified to subcontractors as part of either a regular contract review or via separate correspondence. The policy will be published on the Sutton College website.

Appendix 1

Support and Services Provided to Subcontractor by Sutton College

Sutton College retains 20% of the Government Funded value of the provision delivered by the subcontractor. This is referred to as the management fee. The level of management fee has been arrived at by a detailed assessment of the costs involved in managing an external delivery partner. This amount ensures that our subcontracting arrangement is a viable delivery option whilst remaining fair to the subcontracted partner.

In order to ensure the high level of quality expected by Sutton College and OFSTED, each subcontractor will receive the same package of support as each of our direct delivery centres. As an OFSTED good provider there is clear evidence in place that this process is successful in maintaining an effective quality improvement framework and is testament to our excellent learner outcomes, results and experiences.

The services provided are as follows:

- Contract Management – Each subcontracted partner will receive a full programme of support throughout the period of the contract. This will involve an annual contract initiation meeting followed by bi-monthly support meetings. Contract support will consist of:
 - Confirmation of Allocation and payment process.
 - Annual due diligence checks.
 - Financial support Sutton College & London Borough of Sutton Finance team.
 - Policies and Procedures guidance including Health and Safety Support.
 - Advice on Government policy.
 - Full suite of course management paperwork and support and training for tutors and managers in ensuring accurate completion.
 - Learner support – including access to specialist advice and specific support service for individuals with learning difficulties and disabilities.
 - Performance management support - including access to Sutton College trackers and regular bi-monthly monitoring meetings.
- Financial Support – Each partner will receive a financial support and payment service consisting of the following:
 - Payments issued on a monthly basis as set out in the payment schedule detailed in this contract. Payment will be issued by BACS.
 - Any queries relating to payments will be acknowledged within 3 working days and resolution will be sought within 7 working days. Please note this timeframe may be extended if the action required to resolve the query, requires a response from both the Subcontractor and CLAS.
 - Partners will receive a continuous summary of the payments issued to date and any details of reconciliation via the shared tracker.

- o Specific financial advice will be provided in relation to Sutton College processes, Adult Education Budget funding rules and other ESFA finance policy.
- Support for Quality of Teaching & Learning – Partners will receive full extensive quality support through the Sutton College OTL process as follows:
 - o All tutors delivering programmes will be observed annually in line with the current OTL policy.
 - o Access to curriculum observer, to be able to monitor and develop action plans from tutor observations.
 - o New tutors delivering Sutton College programmes, will be monitored via a non-graded observation before receiving a graded observation in line with the current OTL policy.
 - o Opportunity to undertake peer observations to share good practices.
 - o Undertake Quality Assurance Meetings (QAMs) to review centre data.
 - o Standardisation meetings.
- Publicity and Marketing Support – Partners will receive marketing and communications support consisting of the following:
 - o Advertisement of courses and contact details in any relevant brochures produced.
 - o Advertising on the Council's social media sites (Facebook; Twitter and Instagram).
- Curriculum Development and CPD – Partners will receive access to a programme of CPD and support on curriculum development as follows:
 - o Curriculum CPD events throughout the academic year.
 - o Sharing good practice and innovation

The associated costs to support these services are outlined in the following table and will be itemised within Appendix 1 on each Employer Contract with the explanation of how the cost is reasonable and proportionate to the subcontracted training and what its contribution is to the high quality training scheduled to be delivered:

Total Management Fee based on the contract value	20%
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Service/Support	Cost
Contract Management	8%
Finance Support	4%
Support for Quality of Teaching & Learning	4%
Publicity and Marketing Support	2%
Curriculum Development and CPD Support	2%