

## Subcontracting Supply Chain Policy

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### 1.0 SCOPE

1.1 This Subcontracting Supply Chain Policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity from 1 August 2017. 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.

1.2 This policy relates to activity funded through the Education Skills Funding Agency (ESFA) and the Mayoral Combined Authorities whereby High Ridge Training Group enters into a subcontracting agreement with a supplier for recruitment and skills / unemployment delivery.

1.3 This policy provides transparency for all subcontractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to sub-contracted provision.

### 2.0 RATIONALE FOR SUBCONTRACTING

2.1 High Ridge Training Group:

- Recognises the benefits that effective subcontracting can bring to extending the accessibility of provision for students and thereby contribute to the economic prosperity of communities.
- 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 offered to employers and students and broadening the range of sector subject areas or business sectors that can be covered.

### **3.0 EXEMPTIONS TO THE POLICY**

3.1 From May 2017, the Apprentice Funding and Performance Management rules, passed the responsibility to choose End Point Assessment Organisations (EPAO's) to Employers and for them to negotiate the fees. Whilst High Ridge Training Group will be responsible for payment of the fees, commissioning of EPAO's will be exempt from the policy.

### **4.0 QUALITY IMPROVEMENT**

4.1 High Ridge Training Group will:

- Actively work with subcontractors to improve the quality of the teaching and learning they deliver and thereby improve the overall quality of teaching and learning for all learners.
- Undertakes observations on all aspects of teaching and learning including information, advice and guidance, progress reviews and assessment.
- Provides timely and meaningful feedback to both subcontractor and delivery staff and observations are incorporated into moderation and standardisation process, in order that improvement actions impact both internal and subcontractor quality.
- Carry out learner voice surveys to gather feedback from students.
- Supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.
- Ensures that subcontractors have appropriate policies and procedures in place to fulfil SAFEGUARDING obligations and duties under PREVENT.
- Support subcontractors to develop an effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) and will incorporate subcontractors SARs and QIPs into the High Ridge Training Groups Organisation SAR.

### **5.0 MANAGEMENT FEE**

5.1 High Ridge Training Group will retain a Management Fee not exceeding 20% of total funding (grant and fees or levy) in 2021/22

5.2 The Management Fee is calculated based on the level of resource required to manage the subcontractor relationship and contract and includes:

- Administration

- Quality assurance
- Data Services functions relating to the submission of funding claims to the ESFA
- Provision of management meetings
- Provision of professional advice regarding ESFA/funding matters
- Due Diligence support, guidance and checking to ensure that a high quality of delivery to students is maintained and that any risk to High Ridge Training Group and associated funding bodies is mitigated.

## **6.0 SUPPORT PROVIDED TO SUBCONTRACTORS**

6.1 High Ridge Training Group has:

- A Director responsible for Commercial Services and Partnerships to manage the relationship with the subcontractor and take overall responsibility for subcontracting.
- A Director responsible for Quality to ensure that the quality of subcontractor's delivery meets its expectations and to support the continuous improvement of the subcontractor's provision.
- A Director responsible for Data Services to ensure the timely and accurate recording of student information on the ILR.
- A commitment to undertake a regular and substantial programme of quality assurance checks on the education and training provided by sub-contractors, including visits at short or no notice and face-to-face interviews with staff and learners. These checks include whether the learners exist and are eligible and involve direct observation of initial guidance, assessment and delivery of learning programmes.
- A commitment to ensure that all of the subcontractor's delivery meets ESFA Funding Rules requirements.

## **7.0 PAYMENT TERMS**

7.1 Payment will be based on agreed profiles.

7.2 No payment will be made in relation to a learner where the subcontractor has failed to notify of any relevant enrolment, attendance or achievement by that learner in accordance with the provisions of the contract, or where a learner has failed to meet the start criteria in relation to funding eligibility.

7.3 High Ridge Training Group will not be under any obligation to make payment to the subcontractor in respect of learners over and above any upper limit on the number of learners or the maximum amount of funding allocated to the subcontractor.

7.4 If High Ridge Training Group pays any amounts to a subcontractor in relation to any learner who is subsequently deemed not to be eligible for payment of funding by the respective funding

body, High Ridge Training Group will be entitled to be fully refunded by the Subcontractor. At the discretion of High Ridge Training Group such a refund will either be payable within 30 days of notice to the subcontractor or may be deducted from the funding payable in relation to a subsequent payment period.

7.5 If, in respect of any funded learner, the funding body shall for any reason whatsoever (being a reason outside the control of R High Ridge Training Group) refuse or fail to pay the funding of any learner High Ridge Training Group shall be under no obligation to pay any part of the funds relating to that learner to the subcontractor and any part of the funding relating to the said learner shall be fully refunded to High Ridge Training Group by the subcontractor.

7.6 High Ridge Training Group payment terms are 30 days from invoice date based on PFR submitted to the subcontractor to agreed timescales.

## **8.0 COMMUNICATION**

8.1 The Fees and Charges Policy will be routinely communicated to and discussed with current subcontractors as part of the contract review process.

8.2 The Fees and Charges Policy will be communicated to potential subcontractors as part of the procurement process.

## **9.0 DUE DILIGENCE & TENDERING**

9.1 High Ridge Training Group has a due diligence framework that approves a contractor each academic operational year, which may be extended on a year-by-year basis and subject to: - Acceptable delivery of previous years contract - Confirmation of updated information - Supply of annual accounts

9.2 Stage 1 – Annual Credit Check. Organisations who wish to become a subcontractor must complete or provide the documentation listed below: - Due diligence application form - Two current references - Annual accounts for the last three years - Success rates for all types of programmes delivered

9.3 Stage 2 – Full Site Visit if the contractor is successful in their due diligence, this will enable the submission of a response to any tenders. Approval of a contractor does not guarantee an offer of funding. Contracts are offered subject to: - Tender application - Submission of specific documents, upon request - Attendance at contract meetings upon request

9.4 At the end of each year, subcontractors must complete Stage 1 application of the due diligence process again.

## 10 POLICY REVIEW

10.1 The fees and charges policy will be reviewed annually, however may be reviewed more frequently in response to changes in government policy or funding