

## **SUPPLY CHAIN FEES & SUBCONTRACTING POLICY 2019**

Approved by Board on 11<sup>th</sup> April 2019

**AUTHOR: Denise Cheng-Carter**

**DATE: March 2019**

**VERSION 1**

## **SUPPLY CHAIN FEES & SUBCONTRACTING POLICY 2019**

### **1 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 LSIIS 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) whereby Calderdale College enters into a subcontracting agreement with a supplier for recruitment and delivery.
- 1.3 This policy provides 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 Calderdale College's direct contract with the ESFA.

### **2 RATIONALE FOR SUBCONTRACTING**

- 2.1 Calderdale College:
  - Recognises the benefits that effective subcontracting can bring to extending the accessibility of provision for students and thereby contribute to the economic prosperity of our neighbouring local communities.
  - Uses subcontractors to widen participation amongst student 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 EXEMPTIONS TO THE POLICY**

- 3.1 From May 2017, the Apprentice Funding and Performance Management rules, passed the responsibility to choose Apprentice Assessment Organisations (IAAO's) to Employers and for them to negotiate the fees. Whilst Calderdale College will be responsible for payment of the fees, subcontracting to AAO's will be exempt from the policy.

### **4 QUALITY IMPROVEMENT**

- 4.1 Calderdale College:

- Actively works 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 College 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 the College moderation and standardisation process, in order that improvement actions impact both internal and subcontractor quality.
- Carries 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 college safeguarding obligations and duties under PREVENT
- 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.

## **5 MANAGEMENT FEE**

- 5.1 Calderdale College will retain a Management Fee of 15-25% of total funding (grant and fees or levy) in 2019/20.
- 5.2 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 students is maintained and that any risk to the College and ESFA is mitigated.

## **6 SUPPORT PROVIDED TO SUBCONTRACTORS**

- 6.1 Calderdale College has:
- A Director of Commercial Services and Partnerships to manage the relationship with the subcontractor and take overall responsibility for subcontracting.
  - A Head of 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 Head of Data Services to ensure the timely and accurate recording of student information on the College's 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 the ESFA Funding Rules.

## 7 PAYMENT TERMS

- 7.1 Payment will be based on agreed profiles from August to January. February will be a reconciliation month, with payments on actual delivery evidenced through the College's ILR after that point.

## 8 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.
- 8.3 The Fees and Charges Policy is available on [www.calderdale.ac.uk](http://www.calderdale.ac.uk)

## 9 POLICY REVIEW

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

Change(s) Made		Reason for Change			
Review Date	Reviewed by:	Initial Approval by:	Final Approval by:	Next Review Date:	Review Period
Mar 2019	Deputy Principal, Finance & Resources	Finance & Resources Committee	Board	Mar 2020	1 Year

## EQUALITY IMPACT ASSESSMENT

<b>First Assessment Conducted by:</b>	<b>Date:</b>	<b>Final/Approved Assessment Conducted by:</b>	<b>Date:</b>

## PUBLICATION

<b>Audience:</b>	<b>Published:</b>
Staff	Staff Intranet
General	College Website

## 10 DUE DILIGENCE & TENDERING

- 10.1 The College has a due diligence framework that approves a contractor for a period of 3 years extendable on a year-by-year basis and subject to:
- Acceptable delivery of previous years contract
  - Confirmation of updated information
  - Supply of annual accounts
- 10.2 Stage 1 – Annual Credit Check  
Contractors 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 programme delivered
- 10.3 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
- 10.4 At the end of the 3 year period subcontractors must complete Stage 1 application of the due diligence process again.