



Subcontracting, Supply Chain Fees and Charges Policy 2020-21

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The purpose of this document is to define the basis on which subcontracting arrangements will be managed. South Essex College (SEC) conducts an open bidding process for any subcontractor wishing to work with the College. The College will ask all potential subcontractors to submit full due diligence, in line with Education & Skills Funding Agency (ESFA) guidelines.

Subcontracting Purpose and Timing

The College's main purpose for subcontracting is to diversify and extend its offer and capacity to its learners, with particular emphasis on provision within the South East Local Enterprise Partnership (LEP) Region.

Subcontracting Selection Policy

Stage 1: Any prospective subcontractor should contact Jayne Sheehan, Vice Principal- Growth, Innovation & Employer Engagement, e-mail to: jayne.sheehan@southessex.ac.uk in the first instance. They should include an Expression of Interest and Business case. Once agreed interested parties will be invited to tender in stage 2.

Stage 2: Interested parties will complete an Due Diligence application which will include specific information about what provision can be delivered, together with volumes and funding requested. The purpose of the application will be to identify "Preferred Providers" with whom the College may wish to contract for a period of up to 3 years. Achieving preferred provider status will ensure priority consideration when contracts are awarded but **will not** guarantee a contract; this will be determined by what the College wishes to procure and will primarily be driven by economic need which may mean choosing not to purchase provision previously procured if there is a clear need to focus the funding in a different direction.

Stage 3: Tender applications will be assessed within 10 working days of the tender closure date by a panel made up of South Essex College's

- Vice Principal- Growth, Innovation & Employer Engagement
- Head of Apprenticeships & Employer Engagement
- Director of Finance, Essex Shared Services Ltd
- Procurement Manager
- Head of College Information Systems

Stage 4: All applicants will be notified of the outcome by the date specified in the Tender. Feedback will be provided upon request.

Stage 5: The College's Senior Leadership Team will determine what provision they wish to procure following assessment of the College's predicted enrolment numbers and targets and preferred providers will be advised accordingly

Stage 6: Contracts will be issued electronically 2 weeks prior to any provision commencing. This allows for flexibility to allocate contracts mid-year, where it has been agreed by governors and Senior leaders.

Subcontracting Fees and Charges

1 Subcontracted Apprenticeships through South Essex College

- It is the College's policy to only contract with delivery subcontractors for Apprenticeships at the request of the employer and/or where the College cannot fulfil the whole delivery of an Apprenticeship programme. The College operates in line with sub-contracting arrangements as set out in the Apprenticeship Funding Rules. The management fee for any sub-contracted apprenticeship provision will be listed in the written agreement with each provider but will not in any case exceed 10%.

2 Subcontracted 19+ AEB provision through South Essex College

- Management fee of 15%, in line with Agency Guidance and reflects the services provided

3 Subcontracted 16-18 Study Programme provision through South Essex College

- It is not College policy to sub-contract 16-18 Study Programme provision. In the event that this is agreed by governors and senior leaders the College will retain a 15% management fee.

Retained Management Fee

South Essex College will charge a maximum of 15% where provision is sub-contracted and the following charges will normally apply:

- Subcontracted Apprenticeship provision will not exceed a maximum management fee of 10% of the subcontractor's total contract value. This is in line with other local like for like provision.
- All FE Classroom/Workplace based provision, (AEB/GLA), which is subcontracted through South Essex College will attract a management fee of 15%. This recognises the considerable administration that College staff undertake to ensure that learner records are input, checked and maintained in addition to the services outlined on p4.

Fees and charges for subcontracting are reviewed annually to ensure continued fit-for-purpose.

Payment Terms

- Payment will be made monthly in arrears upon presentation of an invoice by the subcontractor to the College's nominated Finance Manager and must be checked against the relevant ILR for accuracy prior to submission. Each invoice must reach the Finance Manager no later than the 15th day of each month (relating to the previous month's activity) and payment will be made on or around 20th of each month (please note that this is when we make payment, not the date payment is goes into bank accounts).
- Reconciliation will take place in the weeks following each funding claim and any

adjustments required will be agreed by both parties and made at the next payment point.

- When each payment is made, subcontractors will receive a corresponding Financial Position Statement which covers each of the contracts held with South Essex College.

Services

The College will provide, where appropriate, the following services to its subcontractors:

- Allocated contract relationship manager and compliance team members , to field all contract issues and enquiries
- Assistance and advice on profiling delivery, regular financial reports and learner data analysis
- Formal review of contract and performance biennially, with actions agreed to ensure continued compliance and improvement where appropriate
- Facilitation of a regular forum in which to promote and share good practice
- Observation and moderation of teaching, learning and assessment (through dual observation and desk-top moderation) and provide feedback and support in order to improve quality and develop innovative training techniques
- Production of a standardised SAR template and support provided in the writing and review of same, together with a Quality Improvement Plan
- Quality Assurance audits on each provider on a 12 month rolling cycle (based on risk)
- The College will undertake announced and unannounced audit visits and report on findings
- ☐ Support will be provided to enable providers to effect identified improvements, as indicated in the reports resulting from the above audits
- Briefings, workshops, updates and regular meetings (strategic, operational and quality driven) on key sector information and changes including to funding and eligibility
- Access for learners of subcontractors to College facilities and services where possible
- Advice and Guidance
- Learner Support, including access to discretionary and hardship funding where this is available

Due Diligence

Subcontractors will supply the College with all relevant information requested to protect learners and to ensure that the subcontractor is a legally, financially and educationally sound organisation prior to any contract being signed. Preferred providers will refresh due diligence annually, before any new contracts are agreed.

Performance Data

Subcontractors will provide a range of data at the frequencies specified in the contract and upon request from the Lead Provider.

Quality

All provision delivered should include an initial assessment process that enables learners and staff to identify what they want to achieve from their chosen course. This process should ensure that:

- Learners have the necessary aptitudes, attributes and abilities to help them successfully complete the courses for which they are applying
- Any learning support needs are accurately identified
- Learners have the information they need to help them make well informed judgements about the relevance of their course to their short and longer term employment and learning goals

Subcontractors must have access to appropriate learner support arrangements.

Where appropriate, the assessment should also gather necessary information about health and medical records, previous relevant experience, depending on the nature of the course itself and specifically where the nature of the course presents significant health and safety issues. South Essex College Health & Safety policy and risk assessments must be adhered to unless a subcontractor's own policy has been implicitly agreed by the Lead Provider.

Tutors must maintain learner progress records at an appropriate level of detail, in relation to the context and length of the course or programme.

Requirements in relation to Observation of Teaching, Learning and Assessment (TLA) are defined in the Collaborative Partnership team's Quality Handbook. Observation of TLA will be planned and undertaken throughout the academic year and the College will support and work with a subcontractor to upskill to the expected standards should an "inadequate" grade be awarded.

Subcontractors will register their learners with the appropriate examining boards within agreed timescales and abide by awarding organisation regulations. Subcontractors will maintain assessment and verification and or/moderation arrangements that are consistent with the requirements of the awarding organisations, examination boards and the Sector Skills Councils, where the latter make recommendations regarding assessment and verification arrangements.

Subcontractors must ensure that appropriate staff attend College best practice events and training where these are organised centrally and also any training which has been put in place to address issues identified in quality or compliance post audit action plans. Failure to attend is likely to increase the frequency of quality and/or compliance audits undertaken which may, in turn, result in financial penalties being applied.

“Appropriate Staff” are normally defined as individuals who have relevant managerial authority and responsibility for the subject being addressed through the training. The exception to this definition will be where training is designed for practitioners.

Health and Safety

Subcontractors must provide details to the Lead Provider on request about how they ensure that facilities used to deliver learning meet all Health & Safety regulatory and legislative requirements, including where required specific health and safety reports, audits and risk assessments.

Subcontractor tutors must be capable of and must undertake activity and facility risk assessments at a frequency consistent with the type of activity and the nature of the facility being used.

Subcontractors must ensure that appropriate staff attend College best practice events and training where these are organised centrally and also any training which has been put in place to address issues identified in quality or compliance post audit action plans relating to health & safety. Failure to attend is likely to increase the frequency of quality and/or compliance audits undertaken which may, in turn, result in financial penalties being applied.

“Appropriate Staff” are normally defined as individuals who have relevant managerial authority and responsibility for Health & Safety.

Information, Advice and Guidance

Subcontractors will be required to demonstrate that they provide information, advice and guidance (IAG) at an appropriate range of venues and through a range of media, including the internet, to a standard consistent with that offered by South Essex College.

Facilities and Resources

All facilities and resources used must be fit for purpose and comply with all current Health & Safety legislation

Audit Procedures

South Essex College will conduct unannounced visits to subcontractors training schedules as part of its annual audit processes.

South Essex College will carry out audits for quality & financial assurance which will include Health & Safety on all subcontractors. These auditors will provide reasonable advance notice (usually 5 working days) of proposed announced visits to the subcontractor of the scope and date of each audit.

Post-audit action plans will be produced and subcontractors will be supported to achieve the aims set out in the action plans.

Policy and Procedures

Subcontractors will be required to demonstrate that they have robust quality audit arrangements consistent with the requirements related to the audit activities undertaken by South Essex College and its representatives. They will be required to maintain, review and update policies and procedure in line with national legislation and as appropriate to the nature of their contract in the following areas:

- Health & Safety
- Equality & Diversity
- Safeguarding
- Prevent Strategy
- Sustainability

- Quality Assurance, including performance monitoring and development of:
 - Teaching practice
 - Initial assessment
 - Additional learning support
 - Information, advice and guidance
 - Self assessment
 - Service standards
- Performance management information
- Data protection/ GDPR
- Staff recruitment and development
- Financial management

Self Assessment

All subcontractors will be required to undertake a self assessment process in relation to the Education Inspection Framework and produce a Position Statement using a template that South Essex College will provide. This Position Statement must be submitted as specified in the contract.

Service Standards

All subcontractors will be required to demonstrate how they will meet the South Essex College service standards in relation to providing a high quality service at all points of a learner's journey and how they will communicate these standards to learners.

Safeguarding

Subcontractors will be required to have in place safeguarding arrangements which are consistent with the standards expected by South Essex College. This will include having an annually updated Safeguarding Policy and designated Safeguarding Officer.

PREVENT (Counter Terrorism Strategy)

Subcontractors will be required to have a PREVENT anti-radicalisation policy in place and all staff will be expected to have undertaken the related Channel programme (developed to provide support to people at risk of being drawn into violent extremism) on-line training, for which South Essex College will provide a link.

Recruitment Profiles and Delivery Locations

Subcontractors may be required to ensure that programmes are delivered in specific localities, depending upon the nature of the contract. They may be required to recruit learners from a specific profile, e.g., age, ethnicity, gender, disability, NEET.

Contract Monitoring and review

Subcontractor performance will be monitored regularly throughout the year. Feedback on performance will be provided in writing, by phone, e-mail or face to face at formal reviews which will be carried out at least biennially.

Where performance falls below the standard required, subcontractors will be issued with a notice to improve. Support will be provided to help subcontractors develop and enhance the quality of their delivery but if a subcontractor fails to meet the necessary improvements within the agreed timescales it may be necessary to implement contract termination procedures.

Contract Termination

South Essex College will work with its subcontractors to ensure that all learners receive high quality and safe training with all the necessary support for individuals to achieve their aims and progress onto sustainable employment.

Should a subcontractor consistently fail to improve any element of its performance which is deemed to be unsatisfactory or inadequate, or consistently fail to engage in training or with the quality support systems which are in place, South Essex College reserves the right to terminate the contract to protect its learners.

If contract termination procedures are implemented, subcontractors are contractually required to cooperate fully with this process.

Communication

This Policy is communicated as follows:

- On the College's website <https://www.southessex.ac.uk/guidance-subcontracting-fee-charges>
- On the College's intranet, under **Policies & Procedures**
- To potential subcontractors on the Delta e-sourcing portal, with the relevant tender information
- To existing subcontractors with annual contracts

Common Accord

South Essex College is committed to the principles of the Common Accord in the working of supply chains in the Post-16 Learning and Skills Sector, as outlined on the following pages.

A COMMON ACCORD IN THE WORKING OF SUPPLY CHAINS IN THE POST-16 LEARNING AND SKILLS SECTOR

The scope of the Common Accord is supply chain activity using funds supplied by the Skills Funding Agency or any successor organisations.

Signatories to this document commit to the following “Overarching Principle”:

Supply chains seek to optimise the impact and effectiveness of service delivery to the end user.

This organisation commits itself to the clauses and principles of the Common Accord

Name: Jayne Sheehan

Signature: 

Position: Vice Principal- Growth,
Innovation & Employer
Engagement

Organisation: South Essex College

Date: 3rd July 2021

Clauses and principles of the Common Accord

i. The scope of the Common Accord is supply chain activity using funds supplied by the Education & Skills Funding Agency or any successor organisations.

ii. Signatories to the Common Accord commit to the “Overarching Principle” that: **“Supply chains seek to optimise the impact and effectiveness of service delivery to the end user.”**

iii. In line with the overarching principle, signatories will abide by the following:

a. **Supply chain management activities should align with the principles of best practice in the skills sector.** *Signatories to the Common Accord agree to be guided by the principles given in the LSIS publication “Supply Chain Management – a good practice guide for the post-16 skills sector” (Nov 2012 and subsequent iterations)*

b. **Prime/lead providers in supply chains will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels.** *Signatories agree the importance of ensuring that procurement activities are conducted in a fair and transparent manner to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.*

c. **Funding for learning that is retained by the lead provider must 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.** *Signatories commit that the rates of such retained funding should be commercially viable for both sides, should be negotiated and agreed in a fair and transparent manner, and should relate to the actual services being provided.*

d. **Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, signatories commit to submission of the dispute to independent outside arbitration or mediation and to abide by its findings.** *Signatories 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.*

iv. Signatories to the Common Accord understand and accept that their commitment and adherence to it may be used as criteria or standards by other sector stakeholders, including (but not limited to) funding, representative and professional bodies.