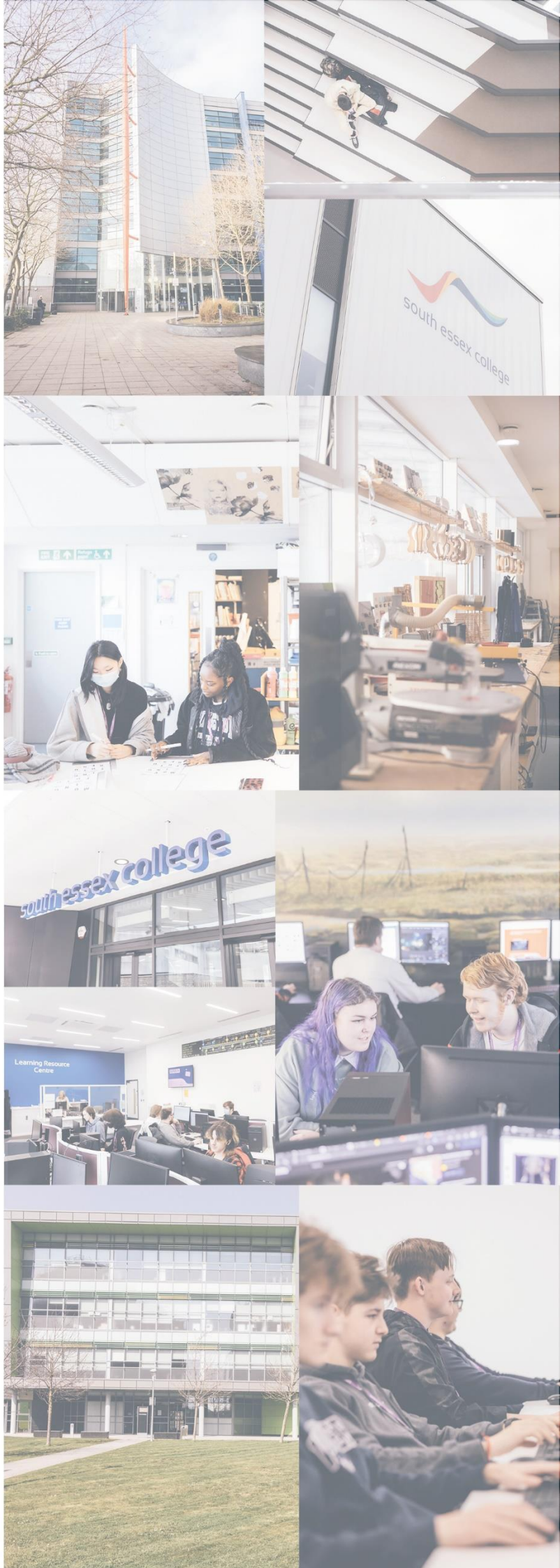




# Subcontracting Policy 2023/24



## SIGNIFICANT CHANGES FOLLOWING REVIEW

PAGE NUMBER OR HEADING NAME	DETAILS OF SIGNIFICANT CHANGE	CHANGES MADE BY
2	Updated strategic vision and mission	Jayne Sheehan
7	Increased management fee to 20%	Jayne Sheehan
7	Includes 16-19 study programmes	Jayne Sheehan

<b>Author</b>	<b>Jayne Sheehan Vice Principal Centre for Innovation</b>
<b>Creation Date</b>	<b>January 2015</b>
<b>Version number</b>	<b>7.0</b>
<b>Reviewed</b>	<b>October 2023</b>
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<p><b>This Policy is published on the College's website at:</b></p> <p><a href="https://www.southessex.ac.uk/guidance-subcontracting-fee-charges">https://www.southessex.ac.uk/guidance-subcontracting-fee-charges</a> ( link will need to be updated0</p>	

**Equality Impact Assessment**

The aim of an equality impact assessment (EIA) is to consider the equality implications of any new or amended policy, procedure, practice, project, function on different groups of staff, students and visitors to the college. This EIA tool provides a simple framework that helps evaluate whether the change may inadvertently disadvantage protected characteristics and identify ways to proactively advance and promote equality.

You will need to consider each of the equations and provide information as to consideration and any changes made in relation to Equality, diversity and inclusion.

Date EIA completed.	4/10/2023
Name of person responsible for completing the EIA	Jayne Sheehan
Role of person responsible for completing the EIA	Vice Principal Centre for Innovation

Who is affected by the policy / decision / change	No one
What's the reason for the new policy / change in policy, practice, process etc.	Annual review

You will need to consider whether its possible that the proposed new policy / change in policy /procedure/practice etc could discriminate or unfairly discriminate or disadvantage people. You should consider:

Who gets to participate	Who does not, or who now does not due to the changes proposed / made.
Who is at an advantage	Who is at a disadvantage, and again has this changed?
Who will benefit	Who will not benefit (or who did and now doesn't due to the changes proposed in policy
Who can access the policy	Who cannot, or now cannot.

Protected Characteristic	What degree of impact does the change have (score 1-5 with 1 the lowest and 5 the highest)	What is a potential positive, neutral or negative impact? Include what you have considered. Are there any barriers?	What action will be taken to address any negative impact or remove any potential barriers identified? Note if we are not able to resolve anything identified.	Date by when and whom will this action be taken.
Age	1	None identified		
Disability	1	None identified		
Gender (Sex)	1	None identified		
Gender Reassignment	1	None identified		
Marriage or Civil Partnership	1	None identified		
Pregnancy / Maternity	1	None identified		
Race	1	None identified		
Religion or Religious Belief	1	None identified		
Sexual Orientation	1	None identified		
Any other element that needs to be considered.	1	None identified		

**Note:**

1. The terms stated under protected characteristics are the terminology used in the Equality Act 2010.
2. As part of the policy approval process Executive Board will consider the EIA assessment and any potential barriers which we may not be able to overcome and whether the action proposed will mitigate sufficiently within legislation or whether we decide to not implement the new policy if the risk are significant. If the policy is approved the EIA is also approved.

## **1. INTRODUCTION**

South Essex College's subcontracting policy supports the ESFA's priority to ensure that all provision sought through partnership arrangements adds value and enhances the quality of learning provision in the South Essex area with a focus in The Southeast Local Enterprise Partnership (LEP) and within the Greater London Authority region. This policy also supports the College's strategic vision and mission of

- Being at the heart of community transformation
- Working together, providing knowledge, education and skills development for all.

The strategic aims support this vision through:

- Providing teaching and learning that expands learners horizons and enables them to achieve the qualifications they need to give them life time choices
- Building our brand equity to increase our markets, influence and social value across Essex and East of London

- Collaborating across education, community and employers to find innovative solutions to achieve our shared goals.

## 2. POLICY AIMS

This document defines 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) and/or Greater London Authority guidelines.

The College's main purpose for subcontracting is to diversify, extending its offer and capacity to its learners with particular emphasis on provision within the Southeast Local Enterprise Partnership (LEP) Region. All subcontracted provision must add value to the College's current provision by offering one or more of the below principles Enhances the opportunities available for learners.

- Fills gaps in niche or expert provision or provides better access to training facilities.
- Supports better geographical access for learners.
- Offers an entry point for disadvantaged groups.
- Gives consideration of the impact on individuals with shared protected characteristics, where there might otherwise be gaps.

Dependent on the type of provision sub-contracted, where specific learning activity does not apply, it will be noted in the individual contract of services. For Apprenticeships, where part of the standard is delivered by a subcontractor, the College remains responsible for 100% of the delivery.

South Essex College will not subcontract to organisations who support extremist ideologies.

## 3. BODY OF POLICY

### Subcontracting Selection Process

- Pre award process

**Stage 1:** South Essex College advertise opportunities and accept approaches from providers in the market. For **Apprenticeships**, with the agreement of the employer we will only procure elements of the standard that we are not able to deliver.

**Stage 2:** Prospective subcontractors should initially contact Jayne Sheehan, Vice Principal- Centre for Innovation by e-mail: [jayne.sheehan@southessex.ac.uk](mailto:jayne.sheehan@southessex.ac.uk) and include an Expression of Interest and Business case. Once agreed interested parties will be invited to tender in stage 2.

**Stage 3:** (PQQ) – Interested parties will complete a Due Diligence application which will include specific information about how the provision meets SEC priorities, the delivery model, together with volumes and funding. 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 4:** Due diligence checks are completed within the date specified in the tender. A scoring process will be used to support any decision to agree or reject an application. The assessment panel will consist of:

- Vice Principal- Centre for Innovation,
- Operations Director Apprenticeships (If apprenticeship delivery),
- Director of Finance,
- Procurement Manager,
- Director of Management Information Systems

**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. Approval of the use of new sub-contractors or the issuing of repeat contract will be approved at Governor level.

**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.

**Stage 7:** Apprenticeships only: Employers will be asked to complete an employer declaration confirming the agreement and use of the sub-contractor and this will form part of the ESFA funding evidence pack for each apprentice. This will also evidence that the College holds the main relationship with the employer. The College operates in line with sub-contracting arrangements as set out in the Apprenticeship Funding Rules. The management fee for any sub-contracted provision will be listed in the written agreement with each provider but will not in any case exceed 10%.

### **Contract Award & Management (inc. services).**

The Vice Principal- Centre for Innovation has overall responsibility for this policy and the Executive Board are responsible for its authorisation. Governors are informed of sub-contracting decisions by the Executive Board.

- The Senior Leadership team will regularly review and monitor subcontracting performance.
- An allocated Relationship Manager will be nominated by both SEC and the subcontractor.
- SEC will give assistance and advice on profiling delivery, financial reports, and learner data analysis.
- SEC and the subcontractor will conduct a monthly review of contract and performance, with actions agreed to ensure continued compliance and improvement where appropriate.

- SEC will Facilitate regular forums and meetings to promote and share good practice with the subcontractor and brief on strategic, operational, funding, and quality updates including but not limited to Safeguarding, Health & Safety, Compliance, Data, Administration, Ofsted, and ESFA/GLA guidance.
- SEC will conduct Observation and moderation of teaching, learning and assessment (through dual observation, where appropriate, as well as desk-top moderation) and where appropriate provide feedback and support to improve quality and develop innovative training techniques.
- SEC will produce a standardised SAR template and Quality Improvement Plan and support the subcontractor in its completion.
- SEC will undertake Quality Assurance audits on each subcontractor on a 12-month rolling cycle (this will be based on risk).
- SEC will undertake announced and unannounced audit visits and report on findings, giving appropriate support to subcontractors to resolve identified issues resulting from the audit.
- SEC will give access to learners of subcontractors to its facilities and services where practicable.
- SEC will offer Advice and Guidance to learners of subcontractors where necessary.
- SEC will make Learner Support available, including access to discretionary and hardship funding where this is available and agreed in advance.
- Both SEC and the subcontractor must operate within the terms set in this policy, by the ESFA/GLA funding rules, and subcontracting standard.

### **People & Responsibilities**

The Vice Principal- Centre for Innovation has overall responsibility for SEC's subcontracting provision supported by the Operations Director of Apprenticeships, Operations Director Business Development and the Director of Finance.

The Relationship Manager assigned to the contract by SEC and the Subcontractor will have the authority, knowledge, and expertise to advise and make decisions on contractual and performance issues in line with ESFA/GLA funding requirements and SEC business rules.

All subcontractors must have a business contingency arrangement to mitigate the impact on the Learner and SEC in the event of not being able to fulfil its contractual obligations.

### **Administration (inc. ESF match funding)**

All documentation supporting subcontracting delivery are stored, logged, and made accessible to the subcontractor and any internal/external assurance agencies including, ESFA, GLA, & Ofsted.

Contract and award information will be held by Vice Principal, Centre for Innovation  
Monitoring visit information will be held by the Relationship Manager.



Learning evidence will be held by SEC and/or subcontractor and will be made available as appropriate.

ILR information, MI and data will be kept by the College information services.  
All compliance activity will be held by the Compliance department.

Subcontractors are expected to comply with European Social Fund requirements, as explicitly set out in our funding agreement, to include the requirement that:  
All eligible learners, employers and other interested parties are informed that the services provided have been financed in whole or part by the European Social Fund.

The ESF Poster and logo will be displayed in a prominent position within their premises and on all learner documentation, websites and marketing materials for match funded provision.

Develop Equal Opportunities and Sustainable Development policies and associated action plans and that these will be reviewed and updated at least annually.

Retain documentation for all ESF match funded provision for audit, having in place a retention policy that reflects the minimum date requirement of 31st December 2031.

### **Management of Relationships and Performance**

The relationship manager at SEC and a nominated individual at the subcontractor will be responsible for operational day to day interactions and will have the authority to resolve everyday issues. Any issues needing senior management intervention will follow the process set out in the resolution process (need to confirm the process)

SEC and the Subcontractor will have defined communication lines to ensure clarity of purpose, detailing individual staff member responsible for critical elements of the delivery of the contract including those with technical expertise.

SEC and the subcontractor will conduct a monthly review of contract and performance against the contractual requirement and SEC's performance management framework. Any issues and underperformance identified will result in an improvement plan to ensure contractual obligations are met.

SEC will formally review each subcontractor's performance on an annual basis as a minimum. The review will contribute to the decision to continue the relationship with the subcontractor.

The current ownership and person of significant control, any changes will be notified to the ESFA/GLA. Current/latest financial health position. Learning activity delivered, including quality of delivery and compliance with the relevant funding rules. The subcontractor's business continuity/contingency plan to ensure it remains relevant or has been updated appropriately.

The subcontractor will use best endeavours to ensure continuity of staff identified in the initial award of contract, SEC must be informed and agree changes to key staff involved in the delivery of the contract.



## **Fees and Payments**

### **Subcontracted Apprenticeships through South Essex College**

The College operates in line with sub-contracting arrangements as set out in the Apprenticeship Funding Rules. The management fee will be listed in the written agreement but will not exceed 10%. Individual contracts will state the fees charged for specific quality assurance activity linked to the fees.

### **Subcontracted 16-19 Study programmes and 19+ AEB (Non-devolved or devolved) provision through South Essex College**

The College operates in line with sub-contracting arrangements as set out in the ESFA/GLA AEB Funding Rules. A management fee of 20% will be listed in the contract. Individual contracts will state the specific the quality assurance activity that is linked to those fees.

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.

## **Risk Management**

Subcontractors are continually risk assessed throughout the contractual life cycle, beginning at the Pre-Award due diligence, during monthly monitoring meetings, and at the annual review process. Subcontractors are risk assessed against, financial, qualitative and performance based KPI's. 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.

Subcontractors will be expected to have and adhere to the following policies and procedures as a minimum.

Health & Safety	Prevent Strategy
Equality & Diversity	Sustainability

Safeguarding	Data protection/ GDPR
Sustainability	Staff recruitment and development
Quality Assurance	Financial management
Performance management information	Communication (see management of relationships)

### **Contingency Planning (SEC)**

If the College or the Subcontractor makes the decision to withdraw from an existing contractual arrangement and learners remain on programme. The College will take the following steps to ensure the continuity of the provision is preserved and that the learners involved will be able to complete/achieve their learning aims.

**The relevant funding agency to be notified.** The College will notify the relevant Funding Agency of any withdrawal from either party of an existing sub-contract arrangement or if notification has been received that a sub-contractor has been placed with administrators or in liquidation. Additional notification of awarding organisations, governor, and other relevant key stakeholders

**South Essex College will review the learner's current position** by undertaking a full review of the learner's enrolment and conducting a full assessment of their progress to date against each element of their programme. Confirm the location of learner portfolios and/or assessment activity to establish progress to date versus duration on programme. Confirm any other prime/ main provider working with the subcontractor and establish any benefits of collaboration to see learners to completion.

**Establish next steps & develop a recovery plan:** College senior managers will meet & review evidence collated from the review of learner's current position. Confirm intentions for delivery and complete recovery plan. Actions to ensure that any disruption to learning is kept to a minimum and continuity of delivery is maintained wherever possible.

**Implement delivery Plan:** The College confirm the delivery plan with the relevant Funding Agency which will consist of one of the following: Delivery through direct delivery, using College staff. Delivery through an existing sub-contracting arrangement. The College will identify an existing sub-contract provider with successful record of delivery and increase the capacity of the existing contract. Deliver the provision through a new sub-contracting arrangement, The College may seek new sub-contractor arrangement (subject to due diligence) for provision that is not serviceable by an existing sub-contractor. Working with the funding agency we will transfer learners to a new provider if the College is unable to meet the needs of the learners through any of the arrangements above.

**Monitor & Review the delivery plan:** The College will review the delivery plan on a regular basis to review progress. Frequency and attendance of the meetings will be

established based on risk and noted in the Terms of Reference when establishing the recovery plan.

### **Contract Development and or 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.

### **Provider Development.**

The College will review its subcontracting provision each year with the aim of ensuring it provision meets our strategic need and aligns with ESFA direction, this may include reducing or increasing the provision, as necessary.

Regular monitoring visits will identify contractual and quality issues and appropriate interventions will take place, through but not exclusively the services noted under Contract & Award section and Management of Performance and Relationships.

### **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 & Procedure, 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.

### **Common Accord in the Working of Supply Chains in the Post16 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-Centre for Innovation

Organisation: South Essex College

Date: 01/10/2023

#### **4. POLICY REVIEW**

The Policy will be reviewed each year and will be published on the website along with the amount of subcontracting given to each subcontractor.

