

Herefordshire & Ludlow College

Sub Contract Policy 2017-18

Scope

The policy applies to all supply chain activity supported with funds supplied by the Skills Funding Agency, the Education Funding Agency or any successor organisations.

Context

The policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2013. The content of this policy has been developed in line with AoC/AELP Common Accord, the SFA Funding rules and the LSIS Supply Chain Management document.

Overarching Principle

The College will use its supply chains to optimise the impact and effectiveness of service delivery to the end user. The college will therefore ensure that:

- a. Supply chain management activities comply with the principles of best practice in the skills sector. In particular they will 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. The college 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 and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
- c. The funding that is retained by the college will 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. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.
- d. Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the college will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to 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.

Rationale for Sub-Contracting

The College engages with sub-contractors to better meet customer needs. Reasons are varied but could be:

- To temporarily expand provision to meet a short term need.
- To provide immediate provision whilst expanding direct capacity. This might include working with sub-contractors to explore and learn about new frameworks or sectors prior to investment in resources.
- Providing access to, or engagement with, a new range of customers.
- To ensure delivery intention is met where there is a recognised risk in direct provision (e.g. through JCP referrals not being realised).
- To support another provider to develop capacity/quality.
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.
- To support employers with a wide geographic requirement

Quality Assurance

Sub contracted activity is a fundamental part of the College's provision. The quality of the provision will be monitored and managed through the existing College QA processes and procedures, as amended in order to fully encompass all sub contracted activity.

This Policy positions sub-contracted provision as a core part of College activity to enable continuous improvements in the quality of teaching and learning for both the college and its subcontractor's. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process.

Publication of information relating to sub-contracting

In compliance with Skills Funding Agency and other agency funding rules that apply, the College will publish its sub-contracting fees and charges policy and actual end-of-year sub-contracting fees and charges on its website before the start of each academic year (and in the case of actual end of year data, as required by SFA). This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes or frameworks. It will not include the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework or outreach support). Provision subcontracting lists will be agreed with local SFA Officials prior to publication.

The College will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents.

- The typical percentage retained to manage subcontractors is 27% and 73% reimbursed to the sub contract partner.
- Standard college management fee is 27% of all funding drawn down against the provision to be delivered. This figure represents the total cost that the College incurs in effectively identifying, selecting and managing all sub-contracted provision. This covers the cost to the College of any additional support that the College deems necessary to ensure the quality of teaching and learning and the success rates of any sub contracted provision. The college will also promote sharing of good practice across the partnership and help improve delivery to our customers. Monthly action points will be corresponded to the sub contract partner to cover performance, payments, and quality assurance matters. Regular reviews meetings will be conducted to cover the action points monitoring.
- Payment terms between the college and subcontractors will be detailed in the agreement but will not exceed 30 days following receiving the approved invoice from the sub contract partner.

Actual Fees and Charges

	SFA Funding	Paid to Subcontractor	Retained
	£'000	£'000	£'000
Deaf Direct Classroom Learning (UKPRN:10001888)	3	2	1
Skills Network Workplace Learning (UKPRN: 10029308)	500	338	162
Equitrain Ltd. (UKPRN : 10038983)	25	21	4
TDS Tier Academy Ltd. (UKPRN : 10037511)	65	64	1
Idsall School (UKPRN :10046206)	5	5	0
Arty Party Limited (UKPRN : 10057257)	7	6	1
Relate Shropshire Herefordshire and North Staffordshire Limited (UKPRN : 10009602)	1	1	0

Date of next review: November 2018