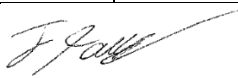




education
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Policy:

Subcontracting, Supply-chain Fees and Charges

Date approved:	June 2024	Review Date:	June 2025
Approved by:	Finance, Capital and Resources Committee		
Relevant to (please ☒):	☒ Bede	☒ Innersummit	☒ NETA
	☒ RCC	☒ SRC	☒ Skills Academy
Signed (Lead Manager):			
Print Name:	Jason <u>Faulkner</u>		

1. Policy Statement

Etc. is committed to growing and diversifying the range of courses it delivers to widen participation, deliver to niche markets, engage in new and emerging markets, and meet the regional and local economic development agenda. In order to achieve this, the Group has taken the strategic decision to subcontract part of its provision to partner organisations who can demonstrate high quality delivery.

The policy and processes relate to ESFA, TVCA and NECA programmes including 16-19 funding and the Adult Education Budget and will adhere to the following underlying principles:

- To ensure compliance with all legal and contractual requirements
- To achieve value for money
- To conduct all activities in a collaborative manner with integrity at all times
- To apply open, fair, transparent, and non-discriminatory practices.
- To undertake a thorough risk assessment of the full supply chain and manage any risks accordingly

2. Scope

The Policy applies to all subcontracted partner organisations.

The Group must properly monitor and control all subcontracted delivery. They must ensure that safeguarding is rigorously policed, that learners enjoy the same entitlement as those learning in schools and colleges and that the education is of high quality.

The Group must ensure compliance with, and be externally validated against, the new ESFA Subcontracting Standard which was a mandatory requirement from 2022-23.

The Group will set out in its strategic aims the reason for subcontracting, which must enhance the quality of the learner offer. The Group are responsible for the selection and actions of their delivery subcontractors.

3. Subcontracting Rationale

Upon commencement of the subcontracting process, Etc. will consider a Business Case Proposal to ensure that the subcontracting aligns with the aforementioned activity principles.

Each subcontractor that works with the group has a specific rationale for how its provision fits with the groups strategic priorities and benefits young people

or adults. This rationale is detailed in the '*Learning Provision Sub-contract Agreement*' for each subcontractor, which is reviewed annually. We will ensure that:

- The proposed delivery is in the best interests of learners and employers;
- The proposed delivery has a clear strategic fit with our mission, objectives, and values;
- The provision can help to enhance the opportunities available to young people and adults;
- The provision plays a part in filling gaps in niche or expert provision, or provides better access to training facilities;
- The provision supports better geographical access for learners;
- The provision can offer an entry point for disadvantaged groups;
- The provision is inclusive of individuals who share protected characteristics;
- There is sufficient expertise within the Group to quality assure the provision;
- There is sufficient staff resource in support areas to administer the processes;
- The Subcontractor is approved by our due diligence process;
- There is sufficient funding available within our funding contracts;
- The Subcontractor agrees to work within the terms of our contract;

4. Improving the Quality of Teaching and Learning

Subcontracted partners will be expected to meet Etc's quality assurance standards with the Group being committed to supporting, developing, and sharing good practice and professional development of staff through quality reviews, operational meetings, enhanced learning reviews and learner and employer feedback. As with college directly delivered activity, stretching retention and achievement rate targets will be set for all Subcontracted provision.

Subcontracted activity is a fundamental part of Etc's provision. The quality of the provision will be monitored and managed through our existing quality improvement process with the Group's Self-Assessment Report / Development Plan process ensuring continuous improvement in all parts of the learner journey.

5. Management Fees

Etc. retains a management fee from all subcontracted partner organisations, this ranges from 20% to 28%. The fees charged reflect the support the subcontractor will require which is identified through a thorough due diligence process

Subcontractors working with Etc. receive a high level of support and guidance and access to Group systems. Below follows an outline of the Group roles and responsibilities in relation to subcontracting work. This is not an exhaustive list, as partner needs vary:

Enrolment:

- Support with enrolment and administration procedures including initial training and regular updates / refresher sessions
- Enrolment information including the supply and distribution of learner information and procedures
- Registers, tracking of attendance, reconciliation and learner transfers and withdrawals ensuring timely data returns
- Supply of necessary documentation
- Support with Funding Rules compliance
- Regular national updates regarding funding and policy guidance
- UK Border Agency (UKBA) advice, guidance, and monitoring

Data:

- Management Information Services and data control advice
- Learner tracking, reporting of highlighted issues
- ILR completion and maintenance, bespoke runs, provision of ILR data to partners for QA monitoring and invoicing purposes
- Funding approvals, eligibility checking of proposed qualifications
- Partnership approvals
- Due diligence procedures
- Data Protection, Freedom of Information requests
- Where learners are aged <18 tracking of attendance
- Bursary entitlement
- Monthly monitoring meetings

Contracts:

- Issuing of Learning Provision Subcontract Agreements in line with ESFA/TVCA/NECA funding rules

Invoicing:

- Calculating, raising, reconciling, authorising and timely payments of invoices
- Monitoring and following up payments from Skills Bootcamp employers for which partners are delivering provision

Exams:

- Exam registration and accreditation services including certificate distribution and proof of achievement
- IV / EV where appropriate
- Achievement Rate data collation and reporting, action planning for early intervention if falling below MLP
- Processing of achievement data

Quality Assurance:

- Quality management systems
- Audit of management systems and delivery and observation of teaching, learning and assessment
- Announced and unannounced visits
- Teaching, Learning and Assessment tools and development
- Monitoring of tracking systems and processes
- Enhanced Learning Reviews
- Maintenance of partner files
- Inclusion in audit and internal inspection processes
- Quality surveys with feedback to partners
- Health & Safety and risk assessment
- Tutor approvals

CPD:

- CPD opportunities and planned training and development
- Involvement in cross group events
- IAG and progression opportunities available to all learners

Safeguarding and Prevent:

- Safeguarding of Young People and Vulnerable Adults procedures including risk assessment of criminal conviction disclosures
- Compliance of Prevent including risk assessment and staff development

Other:

- Compliance investigation
- Dispute resolution

- Any other reasonable support or assistance which can be offered by the Group
- Recruitment of learners including provision of Information, Advice and Guidance to learners
- Use of group premises/facilities

Not all subcontractors are charged the same management fee, differences in fees are dependent upon the level of support required, the experience of the Subcontractor, their target learners; their track record, published achievement rates and the level of risk as determined by the due diligence and ongoing monitoring processes. The fee structure is detailed in the '*Learning Provision Subcontract Agreement*' for each subcontractor, which is reviewed annually.

A further enforced management charge may be applied where a Subcontractor has a high-risk score, and additional controls are required to manage and monitor the subcontractor's performance. The outcome of this will determine the costs involved and will ensure each cost is reasonable and proportionate to delivery of teaching and learning to ensure the Group's contribution to delivering high quality learning.

Further management charges may be mutually agreed between the Group and the subcontractor.

The Education and Skills Funding Agency (ESFA) will publish the Group's actual level of funding paid and retained for each subcontractor using the information submitted to them by the Group via the Subcontractor Declaration on the Skills Funding Service website.

6. Payment Arrangements

Payment arrangements will be determined and governed by the contract agreed between the Group and the Subcontractor.

Payments will only be made to the Subcontractor once the Group has received the funding from the Funding Agency or its successor funding body.

The Group will pay Subcontractors an agreed percentage for learners on programme as set out in the contractual agreement when all contractual requirements (specifically those relating to quality and funding rules) have been met.

95% of the payment fee will only be made on reported milestones after the relevant evidence has been substantiated by Etc. 5% will be retained by Etc. until the successful audit from the ESFA/TVCA/NECA or the end of the contract whichever is sooner.

7. Policy Communication

The Policy is available on-line at <https://www.the-etc.ac.uk/sub-contracting/> and can be made available in hard copy upon request. The Policy will be discussed with all current and future subcontractors during contract negotiation meetings and as a minimum on an annual basis.

8. Funding Information

The following information is included in our supply chain fees and charges published on our website: name of subcontractor, UKPRN number, contract start and end dates, type of provision, funding received from ESFA/TVCA/NECA, funding paid to Subcontractor, funding retained by prime contractor, any funding paid to prime from Subcontractor for services. For more detailed information contact phil.hastie@the-etc.ac.uk

9. Policy Review

The Policy will be reviewed on an annual basis and/or when there are significant changes in the Funding Rules.