



Subcontracting Supply Chain Fees and Charges Policy

**Policy Ref:
SMBP011**

1. Purpose

This document sets out the process and procedure to be complied with by The SMB Group when subcontracting funding from the Education and Skills Funding Agency (ESFA) or any other Publicly Funded Body.

2. Scope

The Policy applies to all College personnel within The SMB Group who may engage with prospective subcontractors.

3. Policy Statement

The policy provides a compliant framework for the College and its subsidiaries to engage in subcontracting.

4. Responsibilities

The policy defines individual responsibility for the process and procedures contained herein.

5. Equality and Diversity Impact Measure

Consideration has been given to the Equality and Diversity implications in relation to the rules and policies set out in this document. It does not consider them to unduly impact upon any protected group.

6. Environmental Impact Assessment

Consideration to environmental implications in relation to the rules and policies set out in this document has been given. This policy has no environmental impact.

7. Data Protection Impact

The impact of this policy on an individual's data has been considered and necessary actions implemented.

8. Associated Policies, Processes, Procedures or Guidance

The following are policies, processes, procedure or guidance which should be referred to alongside this policy:

<https://www.gov.uk/guidance/subcontracting-using-funding-to-offer-education-and-training>



Person Responsible for Policy: Vice Principal of Resources

Date Policy Written: 29/01/2020

Date Approved by SMT: 29/01/2020

Date Approved by Governors 03/02/2020

Version	Date	Status & changes	Author
1	3 rd February 2020	Proposed Subcontracting Supply Chain Fees and Charges Policy	Vice Principal of Resources



Table of Contents

Policy Statement	4
1. Purpose and Scope.....	4
2. Introduction	4
Policy.....	4
3. Subcontracting Rationale.....	4
4. New Subcontracting Opportunities	4
5. Quality Improvement.....	4
6. Retained Funding	5
7. Subcontractor Support.....	5
8. Due Diligence & External Assurance	5
9. Payment Arrangements	6
10. Contingency Planning.....	6



Policy Statement

1. Purpose and Scope

This document sets out the process and procedure to be undertaken by The SMB Group and any subsidiaries (herein 'the College') when engaging in subcontracting activity involving funding from the Education and Skills Funding Agency (ESFA) or any other Publicly Funded Body.

2. Introduction

The College is committed to continually improving its provision to meet the changing needs of its local, regional and national customers and also to engage in new markets through the Economic Agenda, to ensure support is provided to the learning, skills and training requirements to meet the standards required for work ready students and provide Employers with students that have robust employability skills. The College has taken the strategic decision to subcontract with a small number of providers to support delivery of the curriculum strategy.

Policy

3. Subcontracting Rationale

In line with The College Strategic Plan; through sub-contracting the College is able to widen participation, respond to emerging opportunities and market demands. Partnership allows the College to engage the community and learners who would otherwise not be involved in education and training.

Subcontracting, and in particular distance subcontracting, will only be undertaken where there is sufficient funding within our budgets to ensure subcontracting agreements do not impact on our ability to meet the learning, training and skills needs of local students.

4. New Subcontracting Opportunities

Any new subcontracting opportunities will be published on the Government Contracts Finder website. All successful bids will be subject to Due Diligence before a contract is awarded.

5. Quality Improvement

The College is committed to improving the quality and experience of all our students irrespective of the delivery provider. Quality Assurance is robustly managed and monitored through embedded systems of spot and arranged audits and quality reviews, management reviews and visits, employer and student checks, triangulation with other funding organisations of data and observation of training and learning.

6. Retained Funding

The College ensures a supportive structure is provided to our Subcontractors, the level of this support will be reflected in the retained funding, the level of retention is derived from a scale of support following a risk assessment along with the reflective costs incurred by the College, typically 20%.

7. Subcontractor Support

In return for the funding retained, subcontractors receive the following support as required:-

- Direct strategic support on funding and government policy changes/initiatives
- Full Due Diligence checks including financial stability
- Regular National Updates for funding and policy guidance
- Support with funding rules compliance
- Policy Development
- Allocated Partner point of contact
- Allocated administration support
- CPD training and Development
- Teaching and learning assessment and coaching
- Functional skills support and guidance
- Recruitment and vacancy support service via National Apprenticeship Site (NAS)
- Safeguarding of young people and vulnerable adults support, advice and guidance
- Equality and Diversity Support
- On site visits
- Audit management of systems, delivery & observations
- Quality Management systems
- Student and Employers checks
- Triangulation of funding data
- Reference checks with additional funding partners
- Assistance and support of management of profile
- Monthly Financial reporting
- Certification and registration if required

8. Due Diligence & External Assurance

The College undertakes a robust due diligence process before engaging with any new subcontractor, which includes specific requirements set out in the ESFA Funding Rules and agreements for both the Colleges Adult Education Budget and Apprenticeship Contracts . Where the contract value meets the published threshold, we will select and engage an external auditor to produce a report which provides assurance on the systems and controls in place for managing subcontracted delivery. Following this process, the relevant certificate of external assurance will be submitted to the ESFA.

9. Payment Arrangements

Approved subcontractor invoices are paid within 30 days from date of invoice.

10. Contingency Planning

The College has a contingency plan in place should any of the following events occur:-

1. A subcontractor not meeting the standards set out in the relevant section of our subcontractor 'Service Level Agreement'.
2. Financial mismanagement or serious financial concerns about a subcontracting partner.
3. The obligations set out in the relevant section of our subcontractor 'Service Level Agreement' not being fulfilled and where the breach of these obligations is deemed a serious risk to the Group or students.
4. A major breach of the Health and Safety section within the subcontractor 'Service Level Agreement'.

The process to be followed will be directed by the subcontractor 'Service Level Agreement' reflecting the nature of the breach. This will include but is not limited to:-

- The subcontractor being issued with a detailed 'action plan for improvement' which will be monitored on a weekly or monthly basis depending on the severity of the breach.
- The subcontractor contract being terminated as set out in the relevant sections of the subcontractor 'Service Level Agreement'.

Any disputes that arise during this process will be handled according to the terms set out in the relevant sections of the subcontractor 'Service Level Agreement'.

The Senior Management Team will make the final decision in relation to the appropriate course of action.

In the event that the College needs to withdraw from a subcontract arrangement, a subcontractor withdraws from the arrangement or a subcontractor goes into liquidation or administration, the College will ensure that provision is implemented so that the students involved are able to complete their qualifications.

The College will consider any such occurrence subject to its individual circumstances and will work to ascertain the best possible outcome for the students and the employers, if applicable.

The Education and Skills Funding Agency will be informed immediately of the breach and given details of the matter.

The following measures will be put in place to ensure continuation of learning for students:

- The College will take steps to recover all learning materials, records and paperwork in relation to the students being funded by the College by writing to the subcontractor.
- The College will ensure continuation of learning by one of the following means:
 - If the College has the necessary accreditation, capacity, quality assurance and resources, the students learning will be taken over by the College.
 - The College reserves the right to obtain any student information it deems necessary to continue with learning from a subcontractor. The subcontractor should send all information it holds on College students in the event any of the above breaches.
 - If the College does not have the above or is not able to service the provision owing to geographical barriers, the College will seek the nearest Further Education College to the students and attempt to facilitate the transfer of students from them.
 - If the College fails to find a suitable alternative provider who it considers to be of sufficient quality and standing as set out in its 'due diligence checklist', it will contact the Education and Skills Funding Agency for support in finding an alternative provider.