



**BRIDGWATER
& TAUNTON
COLLEGE**

SUB-CONTRACTING PARTNERSHIP POLICY 2016-2017

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Contents

	SECTION	PAGE
1	Scope	3
2	Introduction and Policy Statement	3
3	Overarching Principle	4
4	Definition of Sub-Contracting	5
5	Rationale for Sub-Contracting	5
6	Quality Assurance	5
7	Payments to Sub-Contractors	6
8	Publication of Information Relating to Sub-Contracting	6
9	Communication	7
10	The Fees and Charges Risk Factor Table 2016-17	7
11	Additional Support for Sub-Contractors	8
12	Additional Charges per learner	8
13	How We Select and Appoint our Sub-Contractors	8
14	Clarity of Roles and Responsibilities	8
Annex 1	Due Diligence Checks	11
	Sub-Contracting Requirements The Sub-Contractor will provide	12
Annex 2	Quality Assurance Measures	13
Annex 3	Fees and Charges Structure	14

1. 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.

2. Introduction and Policy Statement

This policy outlines Bridgwater and Taunton College's rationale for sub-contracting with partners for the delivery of education and training. It also describes the College's approach to the selection of suitable partners and how the College will manage and monitor sub-contracted provision to ensure the delivery of high quality education and training.

The policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2016. 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.

The Skills Funding Agency defines a sub-contractor as an organisation that is engaged in a contractual and legally binding arrangement with a lead provider to deliver provision ultimately funded by either the Skills Funding Agency or the Education Funding Agency. This policy focuses on 'provision sub-contracting' although the same principles would apply to all sub-contracted education and training provision. 'Provision sub-contracting' is defined as where we sub-contract the delivery of **full** programmes and frameworks.

Bridgwater and Taunton College has recently worked with select sub-contractors and partners to deliver high quality teaching and learning. This sub-contracted and partnership provision has included learner responsive delivery to 16-18 year old learners, apprenticeship provision, and learner responsive delivery to adult learners in a variety of settings. Sub-contractors and partners have been used to engage a variety of communities that have typically been underrepresented in further education across the region.

As a result of funding changes and an anticipated increase in the proportion of our curriculum that is delivered directly, the College will continue to review the scale of its sub-contracted provision in 2016/17. Because of this, the College will prioritise the engagement of sub-contractors that:

- Can demonstrate consistent delivery of the highest quality teaching and learning.
- Can facilitate a high level of progression into employment or higher learning for our students. (We are particularly keen to work with sub-contractors that are able to deliver student progression onto mainstream further and higher education courses at Bridgwater and Taunton College).
- Are financially secure and can enter into a sustainable relationship with Bridgwater and Taunton College.
- Have or are committed to adopting robust quality assurance processes that complement those in place at Bridgwater and Taunton College.

The College makes a conscious decision between sub-contractors and delivery partners although our relationships with both share many common features. However, our partnerships are typically:

- Long term. Partnership agreements are expected to be maintained and developed for a number of years, whereas as sub-contractors will only be engaged for a maximum of one year at a time.

- Of strategic value to the College and the local region. In some cases the College may decide to engage in partnership delivery that offers little or no financial benefit but confers a significant reputational or other advantage.

To date, our delivery partnerships have been focussed on the development of 16-18 provision and it is anticipated that this will continue. Because of the lagged funding model currently employed by the Education Funding Agency, the College is likely to have the scope to grow 16-18 partnership provision over the next few years.

Our sub-contracted and partnership delivery is overseen by Governors through the Finance, Personnel and General Purpose Committee. Governors will receive a regular report on the scale and mix of our sub-contracted provision through the monthly management accounts. The College commissioned RSM Risk Assurance LLP to review its management and governance of sub-contracted provision in 2016, and used the findings of this exercise to further improve the effectiveness of our management systems and controls.

The College has sought to ensure sub-contractors and delivery partners are fully engaged with our teaching and learning quality assurance processes. In 2016/17, our sub-contracted provision is subject to lesson observation in the same way as our directly delivered programmes of study. The College will seek to ensure that where appropriate, sub-contractors and delivery partners adopt our approach to self-assessment and quality improvement in 2016/17.

3. Overarching Principle

Bridgwater and Taunton College will use its supply chains to optimise the impact and effectiveness of service delivery to the end user. Bridgwater and Taunton 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. Bridgwater and Taunton College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential sub-contractors 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 Bridgwater and Taunton 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.
- d. Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, Bridgwater and Taunton 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.

4. Definition of Sub-Contracting

What is a lead provider?

A lead provider is a college, training organisation or employer that has a direct contractual relationship with the SFA. In the case of this document, Bridgwater and Taunton College is the lead provider.

What is a Sub-Contractor?

A sub-contractor is a separate legal entity that has an agreement with Bridgwater and Taunton College to deliver any element of the education and training funded by the Skills Funding Agency or through Advanced Learning Loans. Sub-contractors may be informally called partners in the sector. However, for SFA purposes, they are classified as sub-contractors.

5. Rationale for Sub-Contracting

Bridgwater and Taunton College has a strategic aim to minimise the level of sub-contracting entered into. The College aims to use its funding allocations to support our local learners, employers and communities through direct delivery. Minimising levels of subcontracting also reduces the exposure to risk of poor performance by other organisations.

Bridgwater and Taunton College will in the first instance consider direct delivery. However, the College recognises the benefits that effective sub-contracting can bring in extending the range and accessibility of provision for learners and employers and will consider sub-contracting in the following circumstances:

- Where our existing employers or learners require additional provision which is beyond our existing scope or capacity
- Where subcontracting will allow us to meet short term needs of learners or employers without exposing the college to the risks and entry and exit costs of setting up new provision
- Where sub-contracting will allow us to capacity-build in new sectors or territories to allow us to move to a position of direct delivery or to grow income such as 16-18 apprenticeship funding
- For very specialist provision which the college would not be able to adequately resource.
- Where the due diligence process shows the selected provider to be of high quality and low risk to the college.

6. 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 sub-contractors. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process.

As a minimum the College will carry out the following Quality Assurance measures with sub-contractors:

- Desk top checks and due diligence visit for new providers
- Annual due diligence review for existing providers
- 3 Quality Assurance visits per year, of which at least 1 will be a short-notice visit, and will include face to face interviews with learners and staff.
- 3 sample file checks – at least one will be a short-notice sample.
- Checks to ensure learner eligibility and existence.
- Observations of advice & guidance, assessment and teaching and learning practise.

The College will provide a programme for each visit as follows:

- Standard visit agenda
- Short Notice visit agenda
- Quarterly contract management meetings, with the Director of Business Development and Marketing. These meetings may coincide with Quality Assurance visits
- Annual survey of learners
- Annual survey of employers (if applicable)
- Annual audit of MIS data including enrolment forms and attendance records
- Annual review of learner documents including tracking records, reviews and
 - ILPs
- Quarterly review of the sub-contractor success rates, self-assessment process and Quality Improvement Plan.

The College may require the sub-contractor to undergo the following quality improvement measures, at a cost to the sub-contractor in accordance with the College's published fees:

- Additional standard or short notice visits
- Additional survey of learner or employer views
- Lesson or assessor observations
- Staff CPD
- Consultancy from Bridgwater and Taunton College or other external consultant

7. Payments to Sub-contractors

The College will forward the sub-contractor the SFA Funding Report for the preceding month's activity before the 16th of the month together with a purchase order. The sub-contractor will submit an invoice for the agreed % of the funding value as per the directions on the purchase order. Bridgwater and Taunton College will make payments to sub-contractors within 30 days of receiving a valid claim for payment that has been submitted in accordance with the terms of the individual sub-contractor agreement.

8. Publication of Information Relating to Sub-Contracting

In compliance with Skills Funding Agency and other agency funding rules, Bridgwater and Taunton 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 sub-contracting' i.e. sub-contracted delivery of full programmes or frameworks.

Bridgwater and Taunton College will ensure all actual and potential sub-contractors have sight of this policy and any other relevant documents, such as the Fees and Charges Risk Factor Table. The Fees and Charges Risk Factor Table includes:

- The typical percentage range of fees retained to manage sub-contractors, and how this range is calculated.
- The rationale used to determine the level of fee retained through each sub-contract is a risk based approach.
- The contributory risk factors that would result in differences in fees charged for, or support provided to, different sub-contractors might include:
 - Previous track record
 - Success levels
 - Type of customers to be engaged
 - Type of provision to be undertaken
 - Contract duration
- The risk bands will be used to allocate college charges. Risk factors are given a score so that each sub-contractor is aware of why they are in a particular band, this process will be used to give sub-contractors an incentive to improve and thus reduce the risk band that they fall in. For example, higher risk sub-contractors will be allocated less funding but receive more monitoring and support.
- Payment terms between the college and sub-contractors – timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.
- The support sub-contractors will receive in return for the fees charged.

9. Communication

This policy will be reviewed in each summer term and updated as required. It will be published on the college web site during August prior to the start of the academic year in which it will be applied. Potential sub-contractors will be directed to it as the starting point in any relationship.

10. The Fees and Charges Risk Factor Table 2016/17

The standard college management fee is 15% 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 includes the minimum amount of QA activity that Bridgwater and Taunton College would attach to the lowest possible risk sub-contracted partner.

Further charges to cover additional costs may be added to the base 15% fee to cover the cost to Bridgwater and Taunton College of any additional support that the College deems necessary to ensure the quality of teaching and learning, the overall learner experience and the success rates of any sub-contracted provision. Additional cost is determined using a weighted table of risk factors. The table is available to all actual and potential sub-contractors. It is designed to ensure that the cost of any additional support provided to a sub-contractor is covered through the funding retained. Additional costs will be re-calculated and negotiated each year at contract renewal, giving sub-contractors the opportunity to reduce their fees through continuous improvement. This approach will allow Bridgwater and Taunton College to focus support where and when it is needed.

See Annex 2

11. Additional Support for Sub-Contractors

The precise additional support given to each sub-contractor will be negotiated with that sub-contractor, but will be based on a 'risk band' approach and may include:

- Additional site visits
- Additional lesson observation
- Additional tutor support
- More rigorous verification

The risk band will be determined using the table in annex 2.

12. Additional Charges per learner

Bridgwater and Taunton College may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the sub-contractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from Bridgwater and Taunton College
- Internal Verification

13. How We Select and Appoint our Sub-Contractors

In selecting our partner providers we will consider the following:

- Reputation – providers may be referred to us by employers or other FE Colleges
- Specialism – providers may offer niche provision where there are few alternatives
- Geographic location – where possible we will support local partners
- Quality measures – based on a range of measures including Ofsted rating, success rates, track record etc.
- Responsiveness – how readily the provider can meet the needs of our learners and employers.
- Safeguarding and Prevent agendas – how the sub-contractor conforms to these requirements and ensures all learners are protected and safe.
- Modern Slavery – Bridgwater and Taunton College is committed to ensuring that there is no Modern Slavery within its own business and supply chain. All sub-contractors will be expected to comply with the College's Modern Slavery policy which is currently in development.
- Potential conflicts of interest.
- If the subcontractor is listed on the Register of Training Organisation (RoTO) & the total value of sub-contracts that they hold.
- Lack of a track record, such as providers who are new organisations, or who offer new or immature provision will not necessarily be a barrier to sub-contracting.
- However, the quality assurance measures and associated costs will reflect the additional risks of new provision. Following initial selection, Bridgwater College will undertake a desk-top due diligence check of potential partners. This will be followed by a due diligence visit to the delivery premises prior to contracts being issued.
- Existing sub-contractor partners will undergo an annual due diligence review.

Full details of the desk top checks, due diligence visit and annual due diligence review checks are included in Annex 1.

14. Clarity of roles and responsibilities

The sub-contractor is responsible for:

- Providing information requested by the College as part of the Due Diligence process.
- Providing the requested documentation to enable the College to make a judgment as to the suitability to enter into a sub-contracted arrangement. The documentation must be updated regularly and/or at the College's request for the duration of the contract.
- Ensuring learners are eligible for funding in accordance with SFA and EFA Funding Rules (and, where appropriate, European Social Fund (ESF) funding rules).
- Informing the College of any changes of ownership of the organisation, management structure, loss of centre accreditation and/or direct claim status.
- Providing details of any accidents or dangerous occurrences affecting learners or the learning environment.
- Providing details of any Safeguarding issues.
- Providing details of entry onto the RoTO and maintaining its registration.
- Providing details of Matrix Accreditation and maintaining or gaining accreditation.
- Providing an annual Self-Assessment Report.
- Submission of learner enrolments, registers and completion of documentary evidence in a timely manner and with minimal errors or omissions.
- All learners provided with education and training under a sub-contract with Bridgwater and Taunton College remain the responsibility of Bridgwater and Taunton College, in accordance with the SFA and EFA Funding Rules. This means that Bridgwater and Taunton College must monitor and manage the risk around quality of provision, learner experience, success rates, audit and any failure to adhere to contractual requirements by the sub-contractor. This is a significant factor in our sub-contracting strategy.
- All Providers wishing to sub-contract to Bridgwater and Taunton College should fully familiarise themselves with the SFA and EFA Funding Rules (and, where appropriate, ESF funding rules) and ensure their systems and processes enable full compliance. Bridgwater and Taunton College will carry out quality-assurance checks (outlined elsewhere in this policy) and sample file checks to ensure that sub-contractors are complying with the Funding Rules.
- Sub-contractors must inform & encourage learners and employers benefitting from this contractual arrangement of the requirement to participate in Bridgwater and Taunton College Quality Monitoring activities and surveys when required. They may also be required to participate in an OFSTED inspection as and when Bridgwater and Taunton College is subject to one, and should be made aware of this at the outset.
- Should either party need to withdraw from this contract, the sub-contractor must agree to co-operate with Bridgwater and Taunton College to ensure there is continuity of learning for the learners. All learner details, files, paperwork and or electronic records should be passed to Bridgwater and Taunton College at the earliest possible convenience for the purposes of finding and supporting suitable, high quality alternative provision.
- Sub-contractors must supply Bridgwater and Taunton College with the required ILR data in a prompt manner, as agreed with your Bridgwater and Taunton College Contract Manager. All information must be fully completed and checked before sending to us.

- Bridgwater and Taunton College and, if necessary, the SFA (or their nominated representatives) must be given reasonable access to your premises and your documentation for the purposes of quality assuring the training delivery falling under the scope of this sub-contract.
- It is the sub-contractors responsibility to provide suitably qualified and competent staff for the delivery of the qualifications and training under this sub-contract arrangement. Bridgwater and Taunton College will require evidence of staff qualifications and experience.
- Sub-contractors must inform Bridgwater and Taunton College if they discover any irregular financial or delivery activity in their organisation including:
 - Non delivery of training when funds have been paid.
 - Sanctions imposed by an awarding organisation.
 - An inadequate Ofsted grade.
 - Complaints or allegations by learners, staff or other relevant parties.
 - Allegations of fraud.
- Sub-contractors must not use any funding earned under this sub-contract agreement to make bids or claims from any European funding on their own behalf or on behalf of Bridgwater and Taunton College.
- There can be no 2nd level sub-contracting, under any circumstances under the terms of this sub-contract. All delivery must be carried out by the sub-contractor's own competent staff.

Annex 1 – Due Diligence Checks

Sub-Contracting Requirements

Due Diligence documents required for desktop assessment	Notes / College Actions
Copy of latest set of audited accounts	To be reviewed by College Finance team
Full names of all Heads / Trustees / Senior Managers	Complete company house check
Copy of most recent Ofsted report	Require grade 1 -2
Copy of most recent Self-Assessment Report (SAR) – where applicable	Require grade 1 -2
CVs for all staff delivering training / assessment	To be reviewed by SCQS
Copy of contract of employment / evidence of contract of employment for all staff delivering training/assessment	To be reviewed by SCQS
DRB numbers for all staff delivering training / assessing	To be reviewed by SCQS
Copy of staff certificate for the member (s) of staff responsible for training/assessing	To be reviewed by SCQS
Copy of Health & Safety Policy	To be reviewed by Health & Safety Manager
Copies of risk assessments	To be reviewed by Health & Safety Manager
Copy of disaster recovery policy	To be reviewed by Health & Safety Manager
Copy of Employers/Public/ Occupiers liability insurance certificate	Minimum £10 million for Employers Liability Insurance and £5 million for Public Liability Insurance. Certificate to be in date.
Evidence of Initial Advice & Guidance (IAG) and IAG Policy	To be reviewed in line with BTC policy
Copy of Complaints procedure	To be reviewed in line with BTC policy
Copy of equality and diversity procedure	To be reviewed in line with BTC policy
Details/evidence of DDA compliance	To be reviewed in line with BTC policy
Copy of Safeguarding policy	To be reviewed in line with BTC policy
Copy of Sustainability policy	To be reviewed in line with BTC policy
Copy of Mission Statement	To be reviewed in line with BTC policy
Copy of Data Protection policy	To be reviewed in line with BTC policy
Evidence of how they comply with the Prevent Duty.	To be reviewed in line with BTC policy

Due Diligence documents required for desktop assessment	Notes / College Actions
Copy of Awarding Body Centre Approval – where appropriate	To match qualifications being delivered
Copy of most recent External Verifiers Reports – where appropriate	To be reviewed for serious issues

The Sub-Contractor will provide the following:

Required during Academic Year	Frequency / Due by
Return signed contract and appendices	Before 1 st August / start of delivery programme
Deliver the Programme (s) in accordance with the College's quality assurance arrangements	In line with the College timetable
Self-Assessment Reports in line with the College's requirements	In line with the College timetable
Run Assessment Boards	In line with the College timetable
Signed and fully completed enrolment form for each learner; <ul style="list-style-type: none"> ▪ Copy of recent benefits evidence if claiming fee remission 	Within 2 weeks of the course commencing
Full registers or contact records (NVQs)	Every half term (or as soon as a short course ends)
Withdraw any learners who have missed more than 4 consecutive weeks	Within 1 month after missing 4 consecutive weeks
Timetable of delivery including session times, venues and teaching staff	Before course(s) commence
Copies of achievement certificates as soon as received from the awarding body	As soon as received
Copies of all EV reports	As soon as received
Feedback questionnaires from learners	In line with college timetable
Raise invoices per agreed payment amounts and schedule	Per agreed schedule

Annex 2 – Quality Assurance Measures

The College will score each performance indicator as follows:

Performance Indicator	Risk Rating Score			
	Low	Medium	High	Not Measurable
	1	2	3	3
Delivery experience of the sub-contractor	More than 5 full years	2 to 5 full years	Less than 2 full years	
Previous years success rate	3% or more above benchmark	Within + or = 2% of benchmark	More than 2% below benchmark	No previous delivery record
Ofsted or SAR grading	Grade 1 or 2	Grade 2	Grade 4	No Ofsted grading
Type of provision	Provision deemed to be low risk eg BWC experience	Medium risk eg BTC experience in managing this type of delivery	Provision deemed to be high risk eg distance learning or difficult client group	No self-assessment process
BTC audit and QA measures	Compliant and no actions or recommendations	Mainly compliant but recommendations to improve	Not compliant and actions required to improve	No previous audit as new provision

Overall Score	Risk Rating
5 – 7	Low
8 – 12	Medium
13 – 15	High

Funding Element Retained for Sub-Contractor Management			
Volume	Low Risk	Medium Risk	High Risk
Under £50,000	15%	20%	We do not contract
£50,000 -£100,000	15%	20%	We do not contract
Over £100,000	15%	25%	We do not contract

Annex 3 – Fees and Charges Structure

The following activities are included in the standard contract management and covered by the retained funding element;

Activity	Number/Frequency included in standard retained funding element
Pre-Contract Processes	
Due diligence desk top checks	1 at set-up
Due diligence visit	1 per site, up to 3 sites
Annual due diligence	1 per year
Issuing standard sub-contract agreement	1 per year
MIS Processes	
Issuing BTC document templates and forms to be used by the sub-contractor	As and when amended
Agreeing use of sub-contractor templates and forms (if at least as good as BTC documents)	1 per year
Entering learner data and amendments onto ILR	All
Entering attendance data and reconciling with ILR	All
Calculating fees due and processing payments received	All
Data-match checks with other main contractors with whom the sub-contractor works	All
Quality Assurance Processes	
Quality assurance visits and lesson/assessor observations	3 per year
SAM meetings 3 per year	3 per year
Annual survey of learners	1 per year
Annual survey of employers (if applicable)	1 per year
Annual audit of MIS data including enrolment forms and attendance records	1 per year
Review of learner documents including tracking records, reviews and ILPs	3 per year
Annual review of the sub-contractor provision within the college self-assessment process and Quality Improvement Plan	1 per year
Incorporate the sub-contractor provision within the partnership manager	Typically 1 or 2 phone calls or emails per week, more for new providers
Sub-contractor staff to attend college CPD activity	

The below will be implemented from August 1st 2016.

The sub-contractor will incur the following charges if additional activity is required to address poor performance or reduce risk:

Activity	Cost to sub-contractor
Pre-Contract Processes	
Additional due diligence investigation, e.g. to investigate financial records or take additional references	£40 per hour
Produce action plan as a result of unsatisfactory due diligence checks or visits	£40 per hour
Additional due diligence visit to monitor improvements	£40 per hour
Additional due diligence visit to additional delivery locations	£40 per hour plus transport costs
MIS Processes	
Returning enrolment forms or other documents due to incorrect completion	Normally no charge but continued non-compliance will incur non-compliance letter charge
Non-compliance letter from College Director of Business Development & Marketing requiring improvement	£40
Quality Assurance Processes	
Self-assessment report (if not produced to satisfactory standard by sub-contractor)	£40 per hour
Quality Improvement Plan (if not produced to a satisfactory standard by sub-contractor)	£40 per hour
Quality assurance – site visits	£40 per hour plus transport costs
Quality assurance – remote (desk top review)	£40 per hour
Contract Management review meetings	£40 per hour
Additional survey of learners	£200 + external survey costs
Additional survey of employers (if applicable)	£200 + external survey costs
Providing consultancy support (Director level)	£60 per hour

The following rates will apply to additional services which the college may provide for the sub-contractor;

Service	Cost
Registration of learners on college centre with awarding bodies	Cost + 10%
Certification of learners from awarding body	Cost + 10%
Certification of apprentices with ACE	Cost + 10%
Internal verification	To be agreed depending on provision
Providing consultancy support (Director level)	£60 per hour