

## Subcontracting and Supply Chain Policy

*The College is committed to the equality of opportunity and to a proactive approach to equality, which supports and encourages under-represented groups, promotes inclusivity and values diversity.*

Member of College staff responsible for this policy:	Associate Principal (Learning & Improvement)
Date when this policy was approved/last reviewed:	Autumn 2018
Provisional date when this policy will be reviewed:	Autumn 2019

### 1) **Context & Scope:**

1.1 The policy applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency or any successor organisations. The policy is now a mandatory requirement that must be in place prior to participating in any subcontracting activity from the ESFA from 1 August 2013. The content of this policy has been developed in line with the ESFA Funding rules and the available best practice guidance, including the AoC/AELP Common Accord, and the LSIS guidance on Supply Chain Management.

### 2) **Rationale for Sub-contracting**

2.1 The College is committed to growing and diversifying the range of courses it delivers to widen participation, deliver to appropriate niche markets, engage in new and emerging markets as a response to student need or regional and local economic development agendas. In order to achieve this, the College has incorporated within the strategy of the college that it is from time to time appropriate to subcontract part of its provision to partner organisations who can demonstrate high quality delivery, have capacity to meet appropriate local needs and who share our vision and values.

2.2 Our commitment to establishing and working in such partnerships, where these are in the interests of learners and the locality, is clear. This is identified and referenced through our Strategic Development Planning process, where the importance of partnership working is seen as critical to the achievement of the strategic priorities of the college. In particular the college is committed to;

- ***Continuing to make a distinctive contribution to education in Leicester, enabling participation, progression and fulfilment of aspiration, whilst promoting the value of diversity, building social cohesion and developing successful and confident people.***

- ***Developing the curriculum, with appropriate pathways, to meet the needs of individuals, to build specialisms and make an important contribution to local priorities.***

2.3 In this context the college may seek to work with partners to provide for those who are primarily from Leicester, Leicestershire, or our other normal travel to learn areas. To meet identified needs within the locality the college will consider sub-contracting in certain circumstances and whilst not exclusive, these could include;

- a) Where there is a local need that is not currently or adequately being met through mainstream college based provision
- b) where there is an identifiable need to respond to the emerging needs or growth in specific sectors locally
- c) where specialist resources, teachers or facilities may add value to learners and these might not adequately be available within the existing resources of the college,
- d) where provision would require a greater concentration of learners to achieve a critical mass to justify investment directly into specialist training, facilities or resources
- e) where employer engagement or industry links are likely to be significantly strengthened by partnerships in order that the learner experience, and/or their employability would be significantly enhanced
- f) where there is insufficient scale for the college to make certain types of provision viable through our core offer, but a partnership would ensure the college remains able to maintain a broad and balanced offer to learners
- g) where there is evidence of high quality niche or specialist provision with a clear local demand

### **3) Identification and Selection of Partners**

3.1 In identifying whether partners are appropriate particular reference will be given to;

- a) the stability, viability and company/charitable structure of any potential partner, such that the college can be confident in the sustainability and viability of the potential partner and provision
- b) the capacity of any potential partner to provide a secure, safe and suitable learning environment for learning
- c) the extent to which the provision is local and accessible to those within the core travel to learn area(s) of the college and the extent to which learners involved in that provision could access the facilities, resources and services of the college directly should they wish to do so
- d) the extent to which it is reasonably possible for the college to provide support and directly engage with any potential partner in order to monitor and develop the experience of learners directly as appropriate
- e) the quality of the potentially subcontracted provision, based on recent history and evidence of past results, such that provision at least exceeds the minimum expectations of funding agencies, adds to the quality of the college offer and so has the potential to improve outcomes of learners funded through the college
- f) the extent to which any potential partner can and is able and willing to work solely with the College in order to have a close and straightforward relationship through

which to benefit learners and to minimise complexity and ensure clarity for all partners and the learner.

- g) the extent to which any potential partnership meets the expectations and requirements of the appropriate funding agency

3.2 When evaluating or comparing providers the college will carry out baseline desktop assessments relating to the due diligence process and this will include as a minimum the documentary areas in the risk matrix outlined in Annex A. Providers with high risk aspects will not be considered and medium risks will highlight areas where a formal action plan of support from the college would be necessary as a minimum.

3.3 In line with the rationale for partnerships the college does not foresee a need for any single partner where a maximum contracted value would exceed the level that would require OJEU procedures. However, should this be appropriate at any future point the process of tendering and identifying those partners would be reviewed in advance by an appropriate committee of the Corporation.

#### **4) Improving Quality of Teaching, Learning and Assessment**

4.1 The College is committed to continual improvement to the quality of teaching, learning and assessment and has clear policies in place for the development of teaching, learning and assessment. The college will ensure that all supply chain partners:

- 4.1.1 are selected through a process that requires demonstrable evidence that they can deliver high quality teaching, learning and assessment
- 4.1.2 have a track record of delivering successfully for learners
- 4.1.3 are managed through a process of regular performance monitoring and review including ensuring the systems for monitoring of teaching and learning are robust
- 4.1.4 participate in the core quality assurance and self-assessment processes of the college in line with our normal cycle and systems
- 4.1.5 are willing to engage with the college through a published calendar of core monitoring and support activities that will be used to give assurance and provide opportunities for quality improvement and development

#### **5) Funding Retention, Support, Management and other Costs or Charges**

5.1 The college retains a baseline of 20% of all funding income received against the provision to be delivered for core support and to ensure appropriate management and oversight of the provision and associated learners. This is deducted from the funding body rate that determined the income received by the College, as derived from the published data in the ILR (Individualised Learner Record) and/or associated PFR (Provider Funding Record). This figure represents the total cost that the College incurs in effectively identifying, selecting and managing all sub-contracted provision and includes the standard amount of Quality Assurance activity that the College would provide for a typical low risk sub-contractor.

5.2 The core support likely to be provided to subcontractors in relation to the baseline funding retained by the college is outlined in, but not limited to, those areas listed in annex B. These may vary from time to time as appropriate, but as a general principle will reflect cost broadly proportionate to the funding retained.

5.3 Further retention of funding to cover additional costs may be added to the baseline funding retained, relating to any additional support or services that the College deems appropriate or necessary with regard to longer term development or growth of the partnership, the enhancing of learner experience, developing outstanding teaching and learning, provision of learner support or access to other extended services, improving success and learner progress, or any other additional services by negotiation. In very exceptional circumstances the college may discount the core funding retained by up to 5% where it can be confident that some costs would not directly apply, could be shared or can be offset in other ways to avoid duplication.

5.4 The college will typically operate with two bands in relation to additional retention of funding that will be agreed in negotiation with potential partners and be subject to assessment of relevance or need;

5.4.1 Band 1 'Enhanced Package', based on up to 5% additional retention of funding or an agreed fixed value up to this level for particular purposes where appropriate in relation to those areas below.

For example, this package would include, but not be limited to the following;

- Negotiated access to selected areas/facilities of the main college site for agreed staff/students
- Access to generic skills assessments, progression planning information and destination tracking/reporting
- Negotiated plans for additional support and advice from Senior or Middle Managers
- Inclusion in direct marketing and publicity to schools through the college core systems
- Training and support in financial planning and/or use of management information by negotiation
- Access to agreed areas of the college MiPlace and support for development of virtual learning

5.4.2 Band 2 'Superior Package', based on up to 10% additional retention of funding or an agreed fixed value up to this level for particular purposes where appropriate in relation to those areas below

For example, this package would include, but not be limited to the following;

- The elements of Band 1 Enhanced Package,
- Access to all learners to the full college site, facilities and extended services
- Formal support to learners for careers, progression planning and destination tracking/reporting
- Access to college wide support systems and curriculum enhancements for the development of core and wider skills, especially in relation to Employability, English and Mathematics
- Use of college based marketing, design, public relations and promotional support systems

- Full access to all counselling, welfare and support infrastructures, including the allocation of a personal supervisor and/or mentor for all learners
- Access as appropriate to college based training for staff by negotiation
- Administration services relevant to student support and financial assistance
- Access to bid for Wyggeston Foundation and wider enrichment funds or resources

## **6 Contracts and Payment Terms**

6.1 All subcontracted provision will be subject to an agreed signed contract and such contract will highlight any mandatory requirements specific to the appropriate funding agency

6.2 The nature of the provision, maximum numbers and maximum financial values will be specified within the schedules of contracts

6.3 Payment terms will be detailed with in the schedules of any contractual agreement in advance. Typically this will cover;

- a) timing of payments, which will usually be monthly
- b) timescale for paying invoices and claims for funding received, usually within 30 days

## **7) Communication, Publication and Review**

7.1 Communication of this policy is through the partnerships section of the main college website or on request directly to the college. The policy will be reviewed annually by the appropriate Senior Manager responsible for partnerships

7.2 Publication of subcontractor information will be done through the college website in a way that is consistent with the guidance and expectations of the appropriate funding agency.

7.3 As a minimum the college will include the following in published data

- Name of the subcontractor
- UKPRN number of the subcontractor
- Contract start and end date
- Specific details as required by the appropriate funding agency

7.4 Provision available to learners will be published within the internal course file records and agreed by the relevant Senior Manager responsible for the Curriculum.

7.5 The relevant Senior Manager responsible for Partnerships, in consultation with the Head of CIS, will make arrangements to complete and return and update declaration forms and records required by the appropriate funding body in a way that is consistent with the requirements of the relevant body and their guidance or funding rules.

7.6 The Principal will provide details to the Board of Governors of any declarations or evidence of potential conflict of interest that may involve staff or Governors connected with

the college or any partnership. These will be notified to relevant funding agencies in writing as appropriate to their rules and guidance.

## **8) Due Diligence and Management of Partners**

8.1 The college will carry out appropriate 'Due Diligence' before contracting with partners and this will not only meet the minimum expectations of the appropriate funding agency, but will provide confidence and assurance about viability, suitability, risks and quality. The college will use the risk matrix in Annex A to assess the level of risk a given partnership may present and will not contract with any partner where there is high risk, or where medium risks cannot be mitigated through additional packages of support by mutual agreement.

8.2 The Finance Manager will carry out appropriate checks and assessments relating to the company status and financial position of any potential partner, appropriateness of insurance in place, as well as checks to provide assurance on the general safety or appropriateness of facilities/premises to be used.

8.3 The Senior Manager responsible for Partnerships will carry out appropriate checks to include; the quality of provision and past outcomes; teaching, learning and assessment practices; systems resources and planning; appropriateness of staffing, their skills and training; DBS/CRB records; policies and quality assurance processes.

8.4 A formal file and checklist will be kept by the Senior Manager responsible for partnerships with appropriate records relating to the Due Diligence carried out. This will be updated as appropriate and reviewed prior to any extension of agreements

8.5 The Senior Manager responsible for Partnerships, in consultation with the Head of CIS, will ensure that all of the evidence requirements of the appropriate funding agencies are recorded, monitored and available to those agencies, as appropriate to their guidance and rules.

## Annex A – Identification of Risk

The college will identify and categorise risk using the following table. Where it is evident that a potential partner may be unable to be compliant with any aspect of the guidance or expectations of the relevant funding agency the risk level will be considered to be excessive and no partnership will be agreed, such as where company status or ownership is not compliant. This matrix will be reviewed to reflect the risk appetite of the College and any changes in mandatory requirements as appropriate.

	Low	Medium	High
Company Status	Appropriate legal entity, registered active at companies house, if a company and at least one full year of accounts filed appropriately	Appropriate and active legal entity, but not yet published first full year of accounts	Not registered appropriately as a legal entity
ACTOR	On the ACTOR Register for the appropriate year	Not on the register, but below register thresholds	Not on the register and above register thresholds
History of partnership working	Established record of partnership delivery with this college or another for a minimum 3 years	Recent experience of partnership delivery with this college or another for at least 1 and up to 3 years	New provision with <1 year of partnership experience
Financial Exposure and max value to be subcontracted from funding agency	MCV <£80,000	MCV >=80,000* And MCV <=£150,000 *except where this arises through agreed planned growth of existing high performing current partners	MCV >150,000* *except where this arises through agreed planned growth of existing high performing current partners
Proximity	City Boundary location	County Boundary location	Out of county/National
Relationship to priorities for subcontracting outlined	5 or more apply	3-4 apply	2 or less apply
Success relative to MLP in most recent results	>10% above	>5% above	<5% above
Success High Grade profile if applicable against Nat. BM for SSA	>=5% above	Within 5% of Benchmark	>= 5% below Benchmark
Success relative to Nat. B/M for SSA	>=5% above	Within 5% of Benchmark	>= 5% below Benchmark
Policy Reviews	All key policies for H&S, E&D and Safeguarding in place and consistent with college policy	Key Policies in place, but with further work/support required to be consistent with college policy	Some key policy omissions requiring significant support that could not be in place before start date