

SUBCONTRACTING POLICY

2023-2024

Audience:	X-College
Requirement:	Essential
Policy Owner:	Executive Director Business & Civic Partnerships
Review Delegation:	Corporation
Review Cycle:	Annual
Last Review:	October 2023
Due for Review:	October 2024

South Hampshire College Group (SHCG) SUB-CONTRACTING POLICY 2023/24

Scope

The policy applies to all sub-contracted activity funded through the group's Education & Skills Funding Agency (ESFA) 16-19 Study Programme and Adult Education Budget grant allocations.

The Sub-contracting Policy is a mandatory requirement that must be in place prior to participating in any sub-contracting activity and the content of this policy has been developed in line with the AoC/AELP Common Accord and the ESFA Funding rules/Financial Memorandum recommendations. SHCG has also sought external legal support and guidance to ensure compliance with current legislation. SHCG acknowledges the support of all external stakeholders in the development of the policy.

The Policy

SHCG will only use sub-contractors when it can optimise the quality, impact and effectiveness of service delivery to the end user and where there is a rationale aligned to SHCG's strategy. Therefore, SHCG will ensure that:

- a) All sub-contracted delivery complies with the ESFA published sub-contractor rules, is consistent with the ESFA subcontracting standard, performance management and quality assurance standards.
- b) SHCG will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential sub-contractors to ensure compliance is in line with 'Guidance for conducting due diligence checks on sub-contractors' (updated 7th February 2022), the AoC Common Accord guidance and the underlying principles of Public Contracts Rules & Regulations (2015, and updated on 3rd April 2023). This ensures that the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learners lives.
- c) Sub-contractors must be able to demonstrate the ability to deliver high-quality training and education and that they have a strong financial standing.

Rationale for sub-contracting

The group's ambitions sets out the priority specialisms and also the mission, vision, and, values. SHCG will only sub-contract provision that is wholly aligned to our curriculum specialisms. The provision that will be delivered in Hampshire and the Isle of Wight, Dorset, Wiltshire, Berkshire, Surrey and Sussex is prioritised. However, the Group recognises that the priority specialisms include digital skills, blended and fully online learning that may be delivered nationally in non-devolved regions. We will subcontract provision that compliments rather than duplicates our own face-to-face or online provision within Hampshire and the Isle of Wight.

SHCG sets high standards and has an expectation of excellence. While SHCG will consider sub-contracts with training providers with no standing Ofsted grade, those with a current grade of 'good' or 'outstanding' will score more highly in our procurement. SHCG will not contract with any training provider whose current grade is 'inadequate', or who most recent monitoring visit reports include one or more 'insufficient progress' judgements. Through the direct inspection process sub-contractors will have carefully considered how their intent meets specific employer and learner needs and have robust quality and improvement measures in place.

SHCG will continue to decrease the reliance on the utilisation of its funding through sub-contractors in 2023/24. Sub-contractor utilisation will continue to be contracted on a limited basis, where delivery is aligned to the group's ambitions and specific employer, and learner needs. Any subcontracted activity will be consistent with national, regional and local skills needs and in line with local skills improvement plans.

Through effective management of sub-contractors, SHCG is able to demonstrate that this contracted provision aims to achieve the following aims:

- Enhances the opportunities available for learners
- Fills gaps in niche or expert provision or provides better access to training facilities
- Supports better geographical access for learners
- Offers an entry point to College or further training, apprenticeships or employment for disadvantaged groups; or
- Gives consideration of the impact on individuals with shared protected characteristics, where there might otherwise be gaps

Due Diligence and Tendering

Applicants who successfully complete the procurement process must pass thorough due diligence checks that emphasises a need to demonstrate strong quality and financial performance. This process is reviewed by the Senior Leadership Team and Governors prior to contract award and applicants can be rejected at any stage of this process.

SHCG approves an organisation to work with us as a sub-contractor for a period of one year. Providers must submit a new tender yearly through the College procurement process. Exceptions to this requirement may include highly niche provision that can be disaggregated from the procurement process under procurement law. Any such contracts will also be required to complete the full due diligence process each year. No contract will be issued to a subcontractor until it has satisfactorily met our due diligence requirements.

For those sub-contractors who are awarded a contract for enrolment activity in a new academic year this activity may only begin once the prior year is completed, outcomes confirmed, and only after the sub-contractor confirms that all payments and obligations due and required under the prior year contract(s) have been met by the SHCG. Should prior year outcomes be below the KPI contractually stated and quality of provision is rated as requires improvement via the Colleges quality assurance process, then the contract for new enrolment activity could be withdrawn and re-procured.

Quality assurance

All sub-contracted activity is part of the group's overall provision and is quality assured in the same manner as the delivery that takes place at the College's, or is delivered by SHCG employees in the workplace.

The quality of the provision will be monitored and managed through the existing SHCG quality processes and procedures. All sub-contractors are required, at year end, to present an Annual Report and Organisation Development Plan for review by the Director of Quality and/or Director of Adult, Online and Commercial.

This Policy seeks to enable continuous improvements in the quality of teaching, learning and assessment for both the SHCG and its sub-contractors and ultimately benefit our learners and employer partners. This will be achieved through audit, observation of teaching and learning, monthly performance management meetings and attendance at regular Quality Review Meetings (QRM)*.

- *Attendance is based upon degree/severity of risk factors reported as part of monthly SLT Risk Report.
- Overview of typical College Quality Assurance:
- Undertakes observations on all aspects of teaching and learning including information, advice and guidance, progress reviews and assessment.
- Provides timely and meaningful feedback to both sub-contractor and delivery staff and observations are incorporated into the group's moderation and standardisation process, in order that improvement actions impact both internal and sub-contractor quality.
- Carries out learner voice surveys to gather feedback from learners and employers. Attendance at subcontractor organised learner voice meetings
- Supports sub-contractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.

- Ensures that sub-contractors have appropriate policies and procedures in place to fulfil SHCG safeguarding obligations, equality and diversity and duties under PREVENT.
- Regular learner journey assurance audits and subsequent improvement actions
- Supports sub-contractors to develop an effective Annual Report and Development Plan in preparation for validation panels in the Autumn term.

Publication of information relating to sub-contracting

SHCG will publish its Sub-contracting Policy and actual end-of-year 'Sub-contracting fees and charges' on its website in line with the requirements listed in the ESFA Financial Memorandum.

The Fees 2023/24

The standard fees and charges set by SHCG for new funded delivery in 2023/24 is 20%. This figure represents the total cost that the College incurs in effectively identifying, selecting and managing all sub-contracted provision. This figure also includes the minimum amount of quality management that the SHCG would attach to the lowest possible risk sub-contractor. Our intent is to only collaborate with the best training providers who share our commitment to excellence, and whose curriculum is aligned to our specialisms and regional demands.

The fee charged by SHCG shall be agreed in the contract between the parties and shall include a standard management fee in support of the delivery of the agreed minimum level of service by SHCG. SHCG will retain the option to increase the standard management fee in proportion to the nature, content, risk and distribution of the sub-contracted delivery, which shall be determined by SHCG.

2023/24 contracts have a clause that permits SHCG to increase the level of funding retained should costs increase due to sub-contractor underperformance. This fee increase will be a result of sub-contractor underperformance which will result in a formal notice to improve (NTI) being issued. An NTI will trigger intervention by SHCG, which will increase the expected costs of managing the contract.

All contracting for 'new starts' is done on an annual basis with agreements negotiated annually. Contracts for 'carried in' learners will be recalculated annually based on the projected funded value of each learner for whom the subcontractor is providing training.

Annex A - provides detail of the actual ESFA funding paid and retained for each of SHCG sub-contractors in the funding years 2021/22 and 2022/2023

Annex B – Costs Associated with Fees and Charges

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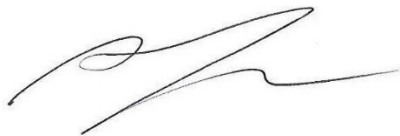
Fee Application	Services	Departments
Funding retained for quality assurance and oversight	<ul style="list-style-type: none"> • Standardisation meetings. • Audit support and guidance. • Paperwork training. • Regular communication on funding rules and ESFA updates. • Annual Procurement. • College Annual Report panel to approve Annual Report and Development Plan • Regular desktop and in situ audits • Observation and feedback on Teaching and Learning • Survey activity and QDP licence • Funding support and guidance • Oversight activity by SMT and Governors • OFSTED readiness support and guidance • Contract based on Eversheds sector templates • Ongoing due diligence management 	Sub-contractor Management, Compliance, Contracts and Learner data SMT and Governors
Funding retained for administrative functions such as data returns.	<ul style="list-style-type: none"> • Providing monthly data management, administration, reports and collection of learner updates • End Point Assessment administration • DSAT and Compliance • Employer contribution management • Maintain the GOV.UK Apprenticeship Services account 	Contracts and Learner Data, Finance Department, MIS
Funding retained for mandatory training delivered to sub-contractor staff by the directly funded provided.	<ul style="list-style-type: none"> • Access to College EDUCARE licence • HR support and guidance • Safeguarding and Prevent support and reporting • Designated Safeguarding Lead annual training and CPD. • Paperwork training • ILR and PFR management • Policy reviews, support and guidance • Maintenance of knowledge, skills and experience of sub-contracting staffing to ensure suitably qualified sub-contracting management 	Sub-contractor Management, Compliance, Human Resources, Learner Support and Safeguarding

<p>Determining the cost claimed by a sub-contractor is reasonable and proportionate to the delivery of their teaching or learning whilst ensuring high quality learning.</p>	<p>SHCG ambitions for the period spanning 2020 to 2024. The group's priority specialisms and mission, vision and values. The group will only sub-contract provision that is wholly aligned to our curriculum specialisms. Geographic regions will also be prioritised. SHCG sets high standards and has an expectation of excellence. As such training providers holding a current Ofsted grade of 'good' or 'outstanding' will score higher in procurement. Sub-contractors will have carefully considered how their intent meets specific employer and learner needs.</p> <p>SHCG has strong management arrangements in place to ensure provision is of high quality, is continually improving and developing with oversight from suitably qualified College personal.</p> <p>SHCG will work with a limited number of providers to deliver sub-contracted provision for learners 16 and over. This includes 16-19 on Study Programs and 19+ Adults funded through the Adult Education Budget.</p> <p>Before a sub-contractor relationship is agreed upon, the group Senior Management Team will agree on a detailed list of costs for managing the relationship outlining specific costs for quality monitoring activities and other support activities listed above as part of the annual budget setting. These costs are authorised by the Board of Governors to ensure they are reasonable and proportionate to the provision delivered by the sub-contractor and how each cost contributes to delivering high-quality education, training, and apprenticeships.</p>
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The total costs associated with sub-contracting will be published in January 2024 once Annex A has been approved for publication by Governors.



Sandra Prail
Chair of Governors



Andrew Kaye
Chief Executive & Principal