



# Subcontracting Policy and Procedure (including Supply Chain Fees and Charges)

|   |  |
|---|--|
| <b>Owning Strategy:</b><br>Employer Engagement and Business Development Strategy    | <b>Linked Strategies:</b><br>Apprenticeships Strategy<br>Health, Safety and Environment Strategy |
| <b>Relevant to:</b><br>All staff involved with Derby College's subcontracting work. |  |

*Office Use only:*

| Policy/<br>Procedure No. | Approval<br>Board/Committee/Group:  | Approval/Re-approval<br>Date: | Implementation<br>Date: | Next Review<br>Date: |
|--------------------------|---|-------------------------------|-------------------------|----------------------|
| 805                      | Executive Board<br>Corporation Committee<br><b>Executive Owner:</b><br>DP Employer & Economic Affairs | 6 June 2016<br>18 July 2016   | April 2012              | July 2018            |

|                            |   |              |
|----------------------------|---|--------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3   |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 1 of 12 |

# SUBCONTRACTING POLICY

## New Policy or Substantive Policy Review

| Version | Date | Policy Development Agreed by | Policy Development Author | Draft Policy Verified by | Policy Approval | Impact Assessment<br><i>(if applicable)</i> |
|---------|------|------------------------------|---------------------------|--------------------------|-----------------|---|
|         |      |                              |                           |                          |                 |   |

|   |  |
|---|--|
| <b>Rationale for new or substantive policy review</b> |  |
|---|--|

*Please make explicit if change/review relates to procedures, guidelines and associated documents only*

## Periodic Policy Review / Change History

| Version | Date of Review / Revision | Description of Change  | Reviewed By  | Approved By<br>(Exec Owner) |
|---------|---------------------------|--|--------------|-----------------------------|
| V1      | April 2015                |  | Paul Henshaw | AH                          |
| V2      | June 2016                 | Subcontracting Policy and Procedure merged with Subcontracting Supply Chain Fees Policy and Procedure. | Paul Henshaw | AH                          |
| V3      | June 2017                 | Update to reflect current status   | Paul Henshaw |                             |

# SUBCONTRACTING POLICY

## 1. POLICY STATEMENT

As part of the College Strategy to provide high quality learning experiences to students and to bridge identified skills and provision gaps, a proportion of the College delivery will be undertaken by local and national Sub-Contractor providers.

Derby College will take all reasonable measures to ensure the selection of competent Sub-Contractors to deliver education and training by carrying out a due diligence process prior to entering into any Agreement.

The Supply-Chain Fees and Charges policy ('The Policy') sets out Derby College's rationale for working with sub-contractors and the methodology used to determine fees and charges anticipated with such partnerships. It is a new requirement of the Education Skills Funding Agency Funding Rules Document.

In line with the Education Skills Funding Agency (ESFA) requirements, this policy outlines how Derby College contributes towards improving the quality of sub-contractor teaching and learning as well as underlining the services provided, in return of fees charged to our partners.

The Policy also summarises the payment terms and schedule between sub-contractor and Derby College and indicates how and when the Policy is communicated with current and potential sub-contractors.

The delivery is to be carried out in a safe manner without risk to the Health, Safety and Welfare of the Sub-Contractors, College Employees, Students or Visitors.

Derby College will take all reasonable steps to ensure that the delivery of education and training by the Sub-Contractor adheres to the Colleges Equality and Diversity Policy and any legislation relating to Equality and Diversity.

Derby College will take all reasonable steps to safeguard students and vulnerable adults by expecting Sub-Contractors to conform to the standards established by the College's Safeguarding Policy.

Derby College recognises that sub-contracting work does not absolve the College of its legal obligations or responsibilities.

This document sets out Derby College's policy on the selection, appointment and management of Subcontractors.

The Policy is reviewed annually and will be brought to Corporation for approval.

## 2. DEFINITIONS

The policy relates to the provision of sub-contracted delivery of full programmes, and/or frameworks by the College or third party.

### 2.1 Sub-Contractor

In this policy, Sub- Contractor (also known as the Provider) means anyone selected, appointed or engaged by Derby College to work with Derby College to provide education and training to students not on College premises.

|                            |   |              |
|----------------------------|---|--------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3   |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 3 of 12 |

## 2.2 Competence

In this policy, competence means the acquisition of sufficient skills, knowledge and experience of current best practice to fulfil the role as detailed in the Sub-Contractor Agreement.

## 2.3 Education Skills Funding Agency (ESFA)

The Education Skills Funding Agency is a partner organisation of the Department of Business Innovation and Skills (BIS) and it exists to fund and promote adult further education and skills training in England.

## 2.4 Contract

A Contract or Agreement is where a Lead Provider has entered into a contract with a third party to carry out all or part of the services that are funded by the Chief Executive of the Education Skills Funding Agency.

## 2.5 Register of Apprenticeship Training Providers (RoATP)

The Register of Apprenticeship Training Providers (RoATP) is a register of providers that have passed the standards expected by the ESFA and are eligible to be invited for future invitations to tender for the delivery of education and training services.

It is a funding requirement that all Sub-Contractors in the ESFA supply chain with an aggregate contract value of £100,000 or above enter the RoATP. In accordance with the Funding Rules. Sub-Contractors must enter the RoATP prior to agreeing with lead providers such as Derby College that would take them beyond the £100,000 threshold.

## 2.6 Due Diligence

The College will undertake a full Due Diligence check on potential Sub-Contractors prior to awarding them a contract to deliver education and training services. This check meets ESFA standards and will request information such as:

- Copies of annual financial accounts
- Details of the teaching / delivery staff
- Details of awarding body accreditation
- Details of policies and procedures
- Details of Insurance Policies
- Employer Liability Insurance
- Public Liability Insurance
- Professional Indemnity Insurance
- Details of the Directors and the ownership of the organisation
- Details of the organisations UK Provider Reference Number (UKPRN)
- Trade references
- DBS / Vetting and Barring Service approval for Delivery / Contact Staff
- Details of Ofsted Inspections either direct or indirectly
- Details of other Quality Standards held e.g ISO / IIP
- Details of Registration with the Information Commissioners Office
- Details of Safeguarding policies and procedures
- Details of the Continuous Professional Development policies, procedures and processes

## 2.7 Matrix Accreditation

|                            |   |              |
|----------------------------|---|--------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3   |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 4 of 12 |

# SUBCONTRACTING POLICY

In accordance with ESFA guidance, the College must provide high quality and easily accessible information; advice and guidance in helping students understand the opportunities and support available to them about education, training or connected matters. All subcontractors will be expected to hold Matrix Accreditation or attain Matrix Accreditation within six months of the commencement of any contract with the College

## 2.8. Remuneration

The College will pay the Sub-Contractor a percentage of the funding that it is paid by the ESFA. This management fee is fixed, however if the Sub-Contractor submits a high percentage of paperwork with errors / omissions the College will increase the management fee to cover additional work.

## 3. PRINCIPLES

This policy applies to all Sub-Contractors and their staff. The Policy identifies both internal and external stakeholders and their role in relation to policies, procedures and standards expected by the College whilst delivering education and training programmes on behalf of the College.

## 4. SCOPE AND LIMITATIONS

This policy relates to the interaction between the College and the Sub-Contractor and the Sub-Contractor and Employers. The College will work with Sub-Contractors to ensure that:

- Sub-Contractors achieve a minimum standard to be considered a partner with Derby College;
- The delivery of education and training meets college, awarding organisations and ESFA standards;
- Students and employers are benefitting through the delivery of high quality education and training programmes.

The policy is a working document and will be updated and amended as required in order to respond to external factors.

## 5. RESPONSIBILITIES

### 5.1 Chief Executive

The Chief Executive has the overall responsibility for all matters, involving the Sub-Contractors Policy. This responsibility includes ensuring that Audit and Quality Compliance matters are seen as an important priority for the College, addressed through comprehensive policies and procedures that are effectively implemented and appropriately resourced within the overall financial position of the College.

### 5.2 Executive Team

Each member of the Executive Team is responsible for ensuring that the College's Sub-Contractors policy is implemented.

### 5.3 College Leadership and Management team

|                            |   |              |
|----------------------------|---|--------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3   |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 5 of 12 |

# SUBCONTRACTING POLICY

College Leadership and Management team are responsible for supporting the principle of the Sub-Contractors policy.

## 5.4 Deputy Principal Employer and Economic Affairs

The Deputy Principal Employer and Economic Affairs takes strategic responsibility for applying the Sub-Contractors policy. The Delivery Partners and Sub-Contractors the College propose to engage are compliant, competent and adequately resourced to satisfy the requirements of internal and external audit, quality standards and the requirements of the different external regulatory bodies.

## 5.5 Director of Apprenticeships Roundhouse Corporate Quality & Compliance

Will take overall responsibility for the Sub-contracted provision in all funding streams ensuring contracts are issued and that Sub-contracted provision meets benchmark data.

## 5.6 Roundhouse Corporate Partnership and Subcontracts Manager

The Roundhouse Corporate Partnership and Subcontracts Manager is responsible for day to day management of the provision. They are responsible for arranging account management meetings and compliance visits. They are also responsible for monitoring the quality of provision and success.

## 5.7 College Student Environment/Health and Safety Team

The Health and Safety Team provide advisory support on the implications of Health and Safety legislation as it affects this policy.

## 5.8 Subcontractors and their employees

All Sub-Contractors and their employees have a responsibility to fulfil the requirements of the Agreement relating to College policies including Health and Safety, Safeguarding, Equality and Diversity, Audit and Quality compliance.

Sub-Contractors must comply with the College's Policies including safety standards, and meet their statutory obligations with regards to Health and Safety. Ensuring that any accident, incident or near miss arising is reported in line with the College procedures.

The Sub-contractor is responsible for:

- Providing the information requested by the College as a part of the due diligence process.
- Sub-Contractors must comply with the College's Policies including safety standards, and meet their statutory obligations with regards to Health and Safety. Ensuring that any accident, incident or near miss arising is reported in line with the College procedures.
- Providing information to the College about how its activities will affect College students, and others for whom the College has a responsibility prior to any work being undertaken.
- Providing the College, documentation to enable the College to make a judgement as to the suitability to enter into a sub-contract Agreement. The documentation is to be updated on a timely basis and at the request of the College for the duration of the Agreement.

|                            |   |              |
|----------------------------|---|--------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3   |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 6 of 12 |

# SUBCONTRACTING POLICY

- Ensuring that Students are eligible for funding in accordance with ESFA Funding Rules 2017/18 and any subsequent amendments.
- Informing the College of any changes of:
  - Ownership of the organisation
  - The management structure of the organisation
  - Loss of centre accreditation / direct claim status
  - Status in relation to winding up orders
- Details of any accidents / dangerous occurrences affecting students or a learning environment.
- Details of any Safeguarding issues.
- Details of any Criminal Offences of students prior to any learning taking place.
- Entry onto the RoATP and maintaining its registration. Those providers with a contract under £100,000.00 will not need to be on ROATP
- Being Matrix Accredited and maintaining its accreditation or attaining accreditation at its own cost.
- Completion of an annual Self-Assessment Report (SAR).
- Submission of enrolments, registers and completion
- Submission of enrolments, registers and completion documentary evidence in a timely and with minimal errors or omissions.

## 6. IMPLEMENTATION ARRANGEMENTS

### 6.1 SUB-CONTRACTING RATIONALE

**6.1.1** Derby College works with sub-contract providers primarily for but not limited to the following reasons:

- The College recognises and values the diverse range of learning opportunities provided that may not otherwise be available at Derby College, through partnership with external subcontractors. This enables Derby College to offer a more comprehensive curriculum to potential students, employers and stake holders.
- Working in partnership enables Derby College to reach individuals who may not ordinarily become students at a College or experience learning in a College environment.
- Students will have access to facilities or expertise in relation to delivery that is otherwise unavailable at Derby College.

To ensure the Subcontract provision meets the standards set out in the Common Inspection Framework and the expectations of the Student and the Employer, Derby College will undertake:

|                            |   |              |
|----------------------------|---|--------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3   |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 7 of 12 |

# SUBCONTRACTING POLICY

- Monitoring of provision by making announced and unaccounted visits to the premises where delivery is taking place to satisfy quality audit requirements.
- Observation of teaching and assessment where delivery is taking place.
- Monitoring of attendance evidence, IAG, reviews, accreditation and achievement.
- To verify student authenticity.
- Review meetings
- Data analysis
- Health and Safety, Audit and Quality trail including enrolment, progression and destination.
- Compliments and complaints procedure and review.
- Internal verification (where agreed).

Derby College will provide to the Subcontractor:

- All required documentation to complete and satisfy the requirements of quality assurance, audit and inspection.
- Student access to Student Services, Additional Student Support, Bursary funds, Student Union and College facilities.
- Data relating to the sub-contractor's students.
- Remuneration for services provided based on information supplied by the Sub-Contractor as calculated by the Student Information Software.
- Remuneration will be based on an agreed Management Fee, where the Sub-Contractor provides inaccurate documentation which exceeds an agreed percentage the College has the right to increase the Management Fee.

## **6.2 CONTRIBUTION TO IMPROVING TEACHING AND LEARNING**

**6.2.1** Derby College implement an account management process that maintains regular contact with our Sub-Contractors to ensure that the range of services provided for the fee charged, adequately contribute towards the improvement of teaching and learning.

**6.2.2** Lesson observations are undertaken on all Sub-Contract partners to monitor the quality of delivery and ensure minimum levels are maintained. Robust feedback is provided to the practitioner and discussed during account Management meetings. Any practitioners who are graded a 3 or below are subject to a re-observation within a 3 month period to ensure the level of quality improves.

**6.2.3** The Sub-Contractor must ensure that all employees linked to the Agreement have appropriate qualifications and experience to carry out their role. Notification of Continual Professional Development needs to be provided at the start of the Agreement and then on a regular basis thereafter.

|                            |   |              |
|----------------------------|---|--------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3   |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 8 of 12 |

# SUBCONTRACTING POLICY

**6.2.4** Derby College invite all Sub-Contractors and their staff to attend Continual Professional Development (CPD) training opportunities and events in order to contribute to the improvement of teaching and learning. Derby College also inform Sub-Contractors of any mandatory training that may be required.

**6.2.5** Surveys are carried out with both employers and students to ascertain quality of delivery and training, the induction process, knowledge and skills of teaching staff and overall satisfaction. Feedback is disseminated via account management meetings.

**6.2.6** All Sub-Contract partners are continually informed, via regular account management meetings, of success and retention rates and their performance against Derby College and National benchmarks.

**6.2.7** All Sub-Contract partners have access to learning resources and marketing materials to assist and contribute with improving teaching and learning.

## **6.3 CHARGING APPROACH AND FEE RANGE**

**6.3.1** The fee charged by Derby College shall be agreed in the contract between the parties and shall be determined by the following:

**6.3.2** A standard portion of the funding earned will be included in the Fee Structure as a standard management fee. This will be in support of the agreed minimum level of service provided by the College in support of delivery.

**6.3.3** The College will have the option to increase or decrease the management fee in proportion to the risk, content, nature and distribution of the Sub-contract delivery, determined by the College.

**6.3.4** The fee structure shall enable the College to increase the management fee in relation to any failure by the sub-contractor to hit agreed standards and targets.

**6.3.5** In order to provide continuous improvement of standards in the sub-contracted provision, the fee structure will allow the College to provide any additional, non-specific services deemed necessary, over and above the agreed minimum level of service.

**6.3.6** Any Sub-Contractor will be able to purchase additional services from the College, deemed necessary and above and beyond the agreed minimum level of service.

**6.3.7** The fee structure will be established with individual Sub-contractors with the following guidelines in mind:

|                            |   |              |
|----------------------------|---|--------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3   |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 9 of 12 |

# SUBCONTRACTING POLICY

| Provision of services by the College | Standard fee as proportion of funding earned | Possible range of fee as proportion of funding earned                | Direct charge for specific services                                  |
|--------------------------------------|--|--|--|
| Agreed minimum Standard              | 15%  | 15-20%   | N/A  |
| Additional non-specific services     | N/A  | To be charged in accordance with cost of specific service to College | N/A  |
| Additional specific services         | N/A  | N/A  | To be charged in accordance with cost of specific service to College |

## 6.4 PAYMENT TERMS

**6.4.1.** The level of fee charged by the College will be agreed by all parties in relation to the charging approach and fee range included in this policy. This shall be set out within the contract between the Sub-Contractor and the College.

**6.4.2.** Within the contract will be further set out the agreed payment terms, against the funding claimed by the College, in relation to the sub-contracted delivery. This shall include and be no less than:

**6.4.3.** A monthly schedule of payment.

**6.4.4.** A final payment reconciliation payment which shall be in arrears against funding claimed by the College in the contract period. This payment shall only be made in receipt of satisfactory evidence as so deemed by the College and as stipulated in the schedules of the contract.

**6.4.5.** A requirement for the College to make payment to the sub-contractor within the payment terms of the College.

**6.4.6.** The College will uphold the right to withhold payment where risk to the funding has been identified by the College.

**6.4.7** The College will endeavour to make payments within the Monthly Schedule of Payments but the standard payment terms shall be 30 days.

## 6.5 DISSEMINATION OF POLICY

**6.5.1.** This policy is made available to all Sub-Contracting organisations as part of the contracting process undertaken by the College with all potential partners prior to entering into a sub-contract partnership.

**6.5.2.** The policy is distributed to the College's Senior Leadership Team and through the Corporation.

|                            |   |               |
|----------------------------|---|---------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3    |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page 10 of 12 |

# SUBCONTRACTING POLICY

**6.5.3.** The Derby College Corporation are required to approve the Policy prior to adoption.

**6.5.4.** The policy will be published on the main College Website and can be assessed at: <http://www.derby-college.ac.uk>

## **7. MONITORING AND REVIEW**

**7.1** This policy will be reviewed after any change to statutory requirement, organisational or management change, HSE guidance or otherwise after 1 year.

**7.2** This Policy shall be next reviewed in July 2018.

**7.3** Subcontractors are responsible for ensuring that they co-operate with Derby College (and its representatives) to ensure compliance with this policy.

## **8. SUPPORTING/RELATED DOCUMENTS**

[Subcontractor Health, Safety and Safeguarding Assessment Record](#)

|                            |   |                             |
|----------------------------|---|-----------------------------|
| Date: 21.06.17             | Doc Name: Subcontracting Policy and Procedure | Ref: RH/V3                  |
| Originator: April Hayhurst | Area: Employer Engagement & Bus Development   | Page <b>11</b> of <b>12</b> |

# SUBCONTRACTING POLICY

## PROCEDURE

