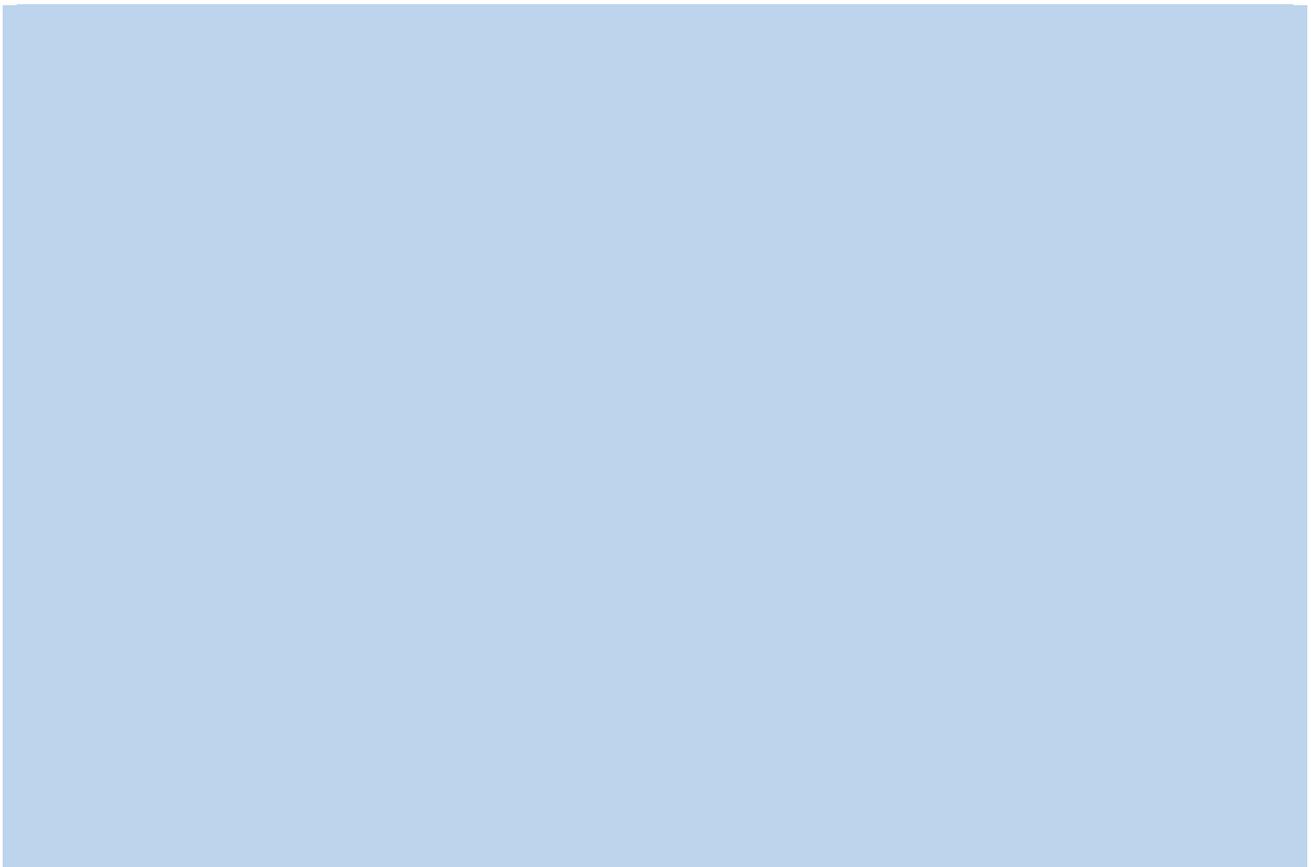




Supply Chain Policy: Provision of Sub-Contracting (All Funding Streams)



Document change control

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Revision history

Version	Type (e.g. replacement, revision etc...)	Date	History (reason for changes)
1	Creation	01.08.2013	
2	Revision	01.11.2015	Funding rule change
3	Revision	11.04.2017	Funding rule change
4	Update	23.04.2018	Funding rule change and revision
5	Update	08.11.2019	Funding Band change and contribution rate change
6	Update	09.02.2020	

Monitoring and review

- This policy will be reviewed by the Corporation annually.

Supply Chain Policy: Provision Sub-contracting

The policy provides explanation and clarity for the college and its provision of sub-contractors regarding the supply chain for sub-contracted tuition for all types of provision. The College believes it has built a strong reputation for providing innovative training solutions to meet employers and learners needs. This has been possible through the commitment to building lasting relationships with its supply chain network of sub-contractors.

Introduction

The College is required by the Education and Skills Funding Agency to publish its supply chain fees, retainer fees and any charges associated with the provision of sub-contracting. A sub-contract is one of several forms of an agreement or number of agreements issued by Bradford College receiving a prime external award. The sub-contract delegates a portion of the College's funding, and responsibility for a portion of the work to be undertaken under the prime award, to a third-party organisation.

In line with ESFA funding rules the provision of a subcontract, in this context, the sub-contracting of a service or part of the delivery programme.

The College endeavours to minimise the risk within the supply chain ensuring that sub-contractors working with the College offer high quality provision that is responsive to communities, learners and employers. The College upholds the principles of the Common Accord (see appendix 1) seeking to optimise the impact and effectiveness of service delivery to the end user. The College recognises the importance of ensuring that procurement activities are conducted in a fair and transparent manner to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact for learners. Procurement activities are conducted in a fair and transparent manner to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact for learning and people's lives.

1.0 Rationale for Provision Sub-contracting

1.1 Subcontracting enables Bradford College (the College) to respond quickly to employer and learner demand, provide greater choice for learners, ensure national coverage, maintain the delivery of niche provision and support local communities.

1.2 It is our aim to select the best suppliers for sub-contracted tuition and to form long standing relationships that enable continual development and alignment of suppliers with the College business excellence. It is therefore crucial that partnerships are formed with organisations that share the College values and ethos.

1.3 Purchase of services is undertaken where there is a specialist need delivered by a specialist provider who undergo a detailed and robust due diligence process. Approval of any subcontracted provision is approved by the Corporation. The College focuses on overall provisions. This can also be in the case of an employer's specific need and will have been negotiated as part of the contract with the employer.

1.4 Sub-contracting enables added value by maximising government funds for the benefit and experience of learners.

1.5 The proportion of core funding allocated for the purposes of sub-contracting tuition is set by the Corporation.

2.0 Sub-contracting can provide a contribution to improving teaching and learning.

2.1 Sub-contracting enables providers to share good practice and learn from each other across the sector raising standards of teaching, learning and assessment and ultimately learner's success.

2.2 Increases the choices of learners and employers in accessing quality education and training within their locality.

2.3 The supportive processes offered by the College to a sub-contractor enable the provider to develop and grow their capability within their own business model to the benefit of learners and employers.

3.0 Selection of provision sub-contractors

3.1 Potential sub-contractors may approach the College with a proposal or the College may approach a supplier with a proposal for delivery of tuition or open for tender (see Appendix 2). In all cases a need to contract will have been identified based on demand from learners and employers.

3.2 It is the intention of the College to build long term relationships with a new provider. The College actively seeks to engage with provision sub-contractors who have outstanding services to offer its customers. This is achieved through developing the unique skills and expertise each provider brings to the supply network.

3.3 Robust selection processes are in place. An in-depth analysis of the potential sub-contractor's delivery models and how far it matches the College's strategy, ethos and values is undertaken.

3.4 Pre-contract due diligence checks are carried out of the potential sub-contractor which will cover financial health, previous delivery performance, capacity and capability to deliver. A focus is also on the need to meet local and regional skills priorities.

3.5 Registration by the potential sub-contractor with the Register of Training Organisations (ROTO) or the Register of Apprenticeship Training Providers (RoATP) will be required. The college will monitor as part of its due diligence and ongoing quality assurance and performance management the value in totality of any subcontractor contract arrangements.

3.6 A Contract will be drawn up and agreed between both parties and is time bound. This will include: the sub-contractor profile, sub-contractors duty, the College duty, the College service offer, retainer values based on due diligence results and contract volume and value. Additional schedules of contract monitoring arrangements, fees, charges, key performance indicators and payment arrangements will also be included.

3.7 In relation to apprenticeship subcontracting, the College directly deliver some of the apprenticeship training and/or on-programme assessment associated with each employer's apprenticeship programme. The volume of training and/or on programme assessment that is directly deliver for each employer will be of substance and will engage with all apprentices identified as part of the contract with the subcontractor.

3.8 We aim to continually improve our quality of teaching, learning and assessment by ensuring that all provision sub-contractors undergo a comprehensive due diligence process. Provision sub-contractors are risk banded and managed via regular performance reviews as well as financial audits.

3.9 We are also required as part of the apprenticeship provision to commission the end point assessment (EPA) organisation chosen by the Employer. This will require a contract with the EPA organisation and does constitute a form of subcontracting.

4.0 Supply chain retainer

4.1 The College is committed to the principle that the rates of retained funding are commercially viable for both sides, are negotiated and agreed in a fair and transparent manner, and relate to the services being provided.

4.2 Costs are incurred by the College as a prime contractor in order to manage the sub-contracting process such as pre-contract assessment, performance management and risk management. In some instances the College provides services to the provision sub-contractor such as quality assurance verification and awarding body registration. As there are many permutations in meeting the requirements of both prime and sub-contractor one retainer fee cannot be set.

4.3 Provision sub-contractors are able to review and negotiate a management fee. Retainer fees are set at 20% but may be negotiated depending on the outcomes of risk assessment, services provided and longevity of relationship.

All new subcontractors will have a 20% retainer fee for the first three months which is then reviewable.

4.4 Retainer fees are set out in the Learning Provision Contract and will be applicable for the duration of the time bound contractual period. These may be revised up or down on the basis of sub-contractor actual performance should the college choose to continue with the relationship and agree another Learning Provision Contract.

5.0 Support provided to the sub-contractor

5.1 A plan of support, advice and quality improvement if required is discussed, agreed and implemented prior to the potential sub-contractor making a formal application for selection. The sub-contractor is supported throughout this time to enable them to meet the outcomes of any agreed action plan.

5.2 The planning process commences with the formulation of a projected profile of activity based on previous performance, capacity and capability to deliver and alignment to the College strategic aims and objectives, values and ethos. Provision sub-contractors are given the necessary tools to plan their activity and to effectively monitor and manage their actual against projected outputs throughout the period of the agreed contract.

5.3 The Subcontractor Advisor is assigned to the sub-contractor to work with them, provide specialist support, advice and guidance, to build strong relationships and manage the contract.

5.4 The Quality Department will assign people to work with the Subcontractor Advisor to support the sub-contractor with a focus on improving the management and delivery of teaching and learning and provides support for Quality Self-Assessment and action planning. A framework of quality impact reviews observations of teaching and learning; customer voice activities are undertaken with each sub-contractor. The quality assurance process will undertake the following but is not limited to:

- Short notice/no notice inspections
- Face to face interviews with learners and employers
- Verifications of eligibility
- Observations of teaching, learning and assessment
- Access to all learner records
- Confirmation of learners with employers to ensure validity

5.5 Sub-contractors are provided with timely and accurate data on a monthly basis to enable them to analyse their performance against key performance indicators (KPIs). These KPIs cover financials, progress against profile, retention, achievement and success rates, achievement gaps and quality assurance activities.

5.6 A meeting will take place at a minimum of once per quarter and will be arranged between the sub-contractor and College Contract Managers. An agenda will be drawn up for each meeting to ensure the quality delivery of the programmes.

6.0 Payment terms

6.1 Payment terms will be discussed and agreed between the College and a sub-contractor. A payment schedule will form part of each contract.

6.2 Periodic payments will be made to sub-contractors for the on-programme element of the provision in accordance with the payment schedule.

6.3 Reconciliation between actual enrolments and achievements and forecast enrolments and achievements, per the payment schedule, will be made within one month of the end of the contractual period, when any retention will be released if it has been earned.

6.4 Payments for Achievements will only be made on receipt of proof from the Awarding Body.

6.5 The sub-contractor will raise invoices according to the agreed payment schedule, to be sent directly to Finance (Accounts Payable) for inclusion on the College's purchase invoice register. They will be checked against the contract's KPIs and approved for payment by the assigned College Contract Manager and Management Information Services Manager. Approval for payment will be made only if the invoice is within the terms of the payment schedule and the contract KPIs have been met.

6.6 Payments to the sub-contractor by the College will be made by BACS at the end of the month following the month in which each invoice's activity, if approved, is reported to the funding agency.

7.0 Review and publication of Supply Chain Policy: Provision Sub-contracting

7.1 The College Supply Chain Policy: Provision sub-contracting will be reviewed on an annual basis by the College Executive team and approved by the Corporation.

7.2 The policy will be published in the public domain via the college Website located with other policies and procedures located within the section 'About us' – corporate information – policies.

7.3 Potential sub-contracting partners will be provided with a copy of the College Supply Chain Policy: Provision sub-contracting at the invitation to tender proposal stage of the procurement process.

8.0 Fees for Apprenticeship Provision

The maximum funding available for each framework or standard from 1st May 2017 has been set. All apprenticeships will be approved into one of the 30 funding bands.

8.1 The funding cap is the maximum amount that an employer will pay via the Levy digital payment system.

8.2 The maximum an employer will pay as their 5% contribution under the co-investment model is 5% of the band limit (not 5% of any negotiated price).

8.3 The upper band limited are the maximum charge (funding drawn down rate). The final agreed price will be a negotiated rate based on the prior qualifications and experience of each apprentice.

8.4 The college will only charge the employer for the apprenticeship provision under this policy. Any additional work carried out by the college will be charged at a full cost rate and will be in addition to the apprenticeship charges.

8.5 The pricing will always (no exceptions) be agreed and approved by the college (prime contractor). Any subcontracted work will be delivered within the price arrived at by the college and the employer.

The funding bands are as follows:

<https://www.gov.uk/government/publications/apprenticeship-funding-bands>

Appendix 1

A COMMON ACCORD

IN THE WORKING OF SUPPLY CHAINS IN THE POST-16 LEARNING AND SKILLS SECTOR

The scope of the Common Accord is supply chain activity using funds supplied by the Skills Funding Agency or any successor organisations.

Signatories to this document commit to the following

“Overarching Principle”:

Supply chains seek to optimise the impact and effectiveness of service delivery to the end user.

*This organisation commits itself to the clauses and principles of the
Common Accord*

Name: Dawn Leak

Signature:

Position: Vice Principal Development & Growth

Organisation: Bradford College

Date:

Clauses and principles of the Common Accord

- i. The scope of the Common Accord is supply chain activity using funds supplied by the Skills Funding Agency or any successor organisations.
- ii. Signatories to the Common Accord commit to the “Overarching Principle” that: **“Supply chains seek to optimise the impact and effectiveness of service delivery to the end user.”**
- iii. In line with the overarching principle, signatories will abide by the following:
 - a. **Supply chain management activities should align with the principles of best practice in the skills sector.** Signatories to the Common Accord agree to 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. **Prime/lead Provision sub-contractors in supply chains will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels.** Signatories agree the importance of ensuring that procurement activities are conducted in a fair and transparent manner to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
 - c. **Funding for learning that is retained by the lead provider must 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.** Signatories commit that the rates of such retained funding should be commercially viable for both sides, should be negotiated and agreed in a fair and transparent manner, and should relate to the actual services being provided.
 - d. **Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, signatories commit to submission of the dispute to independent outside arbitration or mediation and to abide by its findings.** Signatories 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.
- iv. Signatories to the Common Accord understand and accept that their commitment and adherence to it may be used as criteria or standards by other sector stakeholders, including (but not limited to) funding, representative and professional bodies.