



Sub-contracting Policy

Policy Details	
Policy Owner	Executive Director Information Systems & Funding
Date produced	December 2023
Approved by	Policies & Procedures Committee, Finance & Resources Committee
Date approved	12 December 2023
To be reviewed	Annually
Publication	4 Policies, Website
Version	2

Statement of Intent

This policy sets out both the subcontracting strategy of USP College (the College) and the applicable supply chain fees and charges. The policy aims to ensure transparency and equitability around subcontracting and the associated retained fees.

This policy will be supplied to potential subcontractors at the point of being invited to tender. The policy is signposted in the Subcontracting Procedures which are provided to all subcontractors, and available on the College website along with the College's subcontracting delivery value.

1. Introduction and Purpose

- 1.1** This policy governs provision subcontracting within the College. The College recognises that it holds full accountability for the delivery of subcontracted activity and that this cannot be assigned to subcontractors.
- 1.2** It is the responsibility of both the College and their subcontractors to refer to the rules and guidance of the relevant funding agency (Education and Skills Funding Agency or relevant Combined Authority) and any future updates in all matters regarding the delivery of the contract.
- 1.3** Roles and responsibilities for the College and the subcontractors are clearly defined from the outset and all subcontractors are required to agree and sign a Contract for the provision of education or training services with the College.

2. Definitions

- 2.1** "Subcontracting" refers to providers delivering education or training on behalf of the College. This encompasses subcontractors listed on the Education and Skills Funding Agency (ESFA) 'Declaration of Subcontractors', together with any updates or subsequent listings from the ESFA or any other devolved funding authority.

3. Responsibilities

- 3.1** This policy is owned by the Executive Director Information Systems and Funding. The management of the subcontracting provision of education or training is provided through the College MIS team under the guidance of the Executive Director Information Systems and Funding

4. Subcontractor Strategy

- 4.1** Subcontracting will be reviewed and awarded annually, and must fulfil at least one of the following aims:
 - a. To support the strategic objectives of the College or national, devolved, or local government (e.g. creating progression into apprenticeships);
 - b. To enhance the overall quality of the College's provision;
 - c. To serve a specific demographic need that would not otherwise be met (e.g. hard-to-reach learners);
 - d. To bring positive local community benefits;
 - e. To build capacity in high demand subjects areas;

- f. Not to compete with existing College provision, unless for strategic or quality enhancement reasons

4.2 In addition to the above, subcontracting of Adult Education Budget funding:

- a. Will deliver provision to residents in the South Essex and local areas with the aim of meeting LSIP Priorities.
- b. Where we have received an allocation from other devolved authorities, the College will deliver provision in those devolved areas, with the aim of meeting the requirements of those individual funding authorities.

4.3 The College aims to build supportive and mutually rewarding relationships with its subcontractors, built on trust and respect, for the benefit of students, communities, and employers. The College will not subcontract to fulfil short-term funding objectives.

5. Due Diligence

5.1 The College carries out thorough due diligence checks prior to the appointment of a subcontract and reviews these checks on an annual basis.

5.2 As part of due diligence checks the College considers that:

- a. A subcontractor has the financial ability to deliver to the requirements of the subcontract.
- b. A subcontractor has a good credit rating.
- c. A subcontractor can pass other financial health checks as required.

6. Supply Chain Fees and Charges

6.1 The 'Supply Chain Fees and Charges' applies to subcontractors of the College, as listed on the 'Declaration of Subcontractors' and notified to the ESFA. The College negotiates with partners a retention % relevant to the management of sub-contracted delivery. This retention is calculated to cover day-to-day management of subcontracted delivery, monitoring of learner progress, collecting, and updating due diligence, ensuring audit compliance, dealing with partner queries, coordinating self-assessment processes, quality and compliance monitoring, as well as other similar services as needed.

6.2 The retention also includes administration support to process the data, ILR management, Middle and Senior Management support (working with national agencies, funding bodies, advice relating to policies, ESFA guidance, etc.), and management of funding and finances (preparation and processing of payments).

6.3 The retained percentage may be increased where a higher level of administrative and management support is necessary for a particular subcontractor. The retained percentage may be decreased where the level of administrative and management support required is significantly lower than for other subcontractors.

6.4 The College will endeavour to ensure the retained fee arrangements for different subcontractors are fair and equitable based on these parameters. If additional and/or exceptional services are required of the College in ensuring quality subcontractor

provision, there will be a separate fee agreed above the core retention percentage based on usage (such as Internal Verification, additional training etc.).

7. Procedures

7.1 Subcontracting intentions for each year will be proposed, based on an allocated budget. The Subcontracting Procedures document is reviewed and updated annually and provided to subcontractors as part of their annual contract.

8. Payment Terms

8.1 Payment terms and timings are set out within individual Contracts under schedule 1 'Calculation of the Price and Invoicing' and schedule 5 'Funded Learners'. The College pays subcontracting partners by BACS the proportion of fees due in respect of valid paperwork provided by the subcontracting partner to the College and under the terms of the Contract issued. The payment is calculated on data submitted to the ESFA (or relevant funding authority) by the College in the preceding month and paid in line with Contract terms; normally within 30 days of the ILR data return.

9. Quality of Teaching, Learning and Assessment

9.1 In order to allow for appropriate oversight and support of quality of delivery, the following measures are currently in place to monitor providers:

- a. Termly performance quality reviews are overseen by the Assistant Principal Quality, Performance and Innovation. The outcome of these reviews are reported to the Senior Management Team.
- b. Termly contract management performance reviews are held with the Executive Director Information Systems and Funding

9.2 In addition to quality monitoring meetings, a range of other meetings take place with sub-contractors. These take the form of: contract review meetings; direct observation of IAG; joint lesson observations; and contract compliance spot checks. Other ad hoc meetings, visits and discussions take place for general issues as they arise, but these also form part of our relationship management and support for sub-contractors. Such meetings inform the College's RAG rating of subcontractors' performance in Teaching, Learning and Assessment, and give rise to actions and interventions where appropriate.

10. Contingency Plan

10.1 If for any reason, financial or otherwise, a subcontractor is unable to continue delivery either temporarily or permanently; the College will work with the subcontractor to ensure the continuity of delivery for learners enrolled on college programmes appropriate to the circumstances. Options may include, but are not limited to:

- a. Delivery at College, other appropriate premises or online
- b. Delivery using College staff
- c. Transfer of delivery to an alternative subcontractor
- d. Linked policies and regulations
 - USP College Financial Regulations
 - Education and Skills Funding Agency 'Funding and Performance Management Rules'

Equality and Diversity Statement & Impact Assessment

USP College is committed to equality of opportunity. The aim is to create an environment in which people treat each other with mutual respect, regardless of: age, disability, family responsibility, marital status, race, colour, ethnicity, nationality, religion or belief, gender, gender identity, transgender, sexual orientation, trade union activity or unrelated criminal convictions.

This form should be used by managers and policy owners within their area of responsibility to carry out Equality and Diversity Impact Assessments (EDIAs) in relation to protected characteristics including, but not limited to: Age, Disability, Gender reassignment, Marriage and civil partnership, Pregnancy and maternity, Race, Religion and belief, Sex, Sexual orientation. The word 'policy' is taken to include strategies, policies, procedures and guidance notes; both formal and informal, internal and external.

1. Name of Policy

Subcontracting Policy

2. Which of the following groups could be affected by this policy?

(Tick all that apply)

Students	
Staff	√
Wider Community	√

3. Complaints

Have complaints been received from anyone with one or more protected characteristic about the service provided? If yes then please give details.

NA

4. The Impact

Four possible impacts should be considered as part of the assessment:

- a. **Positive Impact** - Where the policy might have a positive impact on a particular protected characteristic.
- b. **None or Little Impact** – Where you think a policy does not disadvantage any of the protected characteristics
- c. **Some Impact** – Where a policy might disadvantage any of the protected characteristics groups to some extent. This disadvantage may be also differential in the sense that where the negative impact on one particular group of individuals with protected characteristic is likely to be greater than on another.
- d. **Substantial Impact** – Where you think that the policy could have a negative impact on any or all of the protected characteristics. This disadvantage may be also differential in the sense that the negative impact on one particular protected characteristic is likely to be greater than on another.

Thought-provoking questions, which might help come to a decision about the impact of a policy on individuals with protected characteristics:

- e. Does policy outcomes and service take up differ between people with different protected characteristics?
- f. What key information do we have? Does data or engagement with people with protected characteristics give insights into areas of disadvantage, which relate to the policy area?

- g. If the policy is likely to have a negative impact on individuals, sharing particular characteristics what steps can be taken to mitigate these effects?
- h. Will the policy deliver practical benefits for certain groups?
- i. Does the policy miss opportunities to advance equality of opportunity and foster good understanding/relationships between groups?
- j. Do other policies need to change to make this policy more effective?
- k. Is there any elements of the policy that could be unlawful under the Equality Act 2010?

Use the guidance provided above and complete the following table: **(Please Tick ✓)**

Gender/Age	Positive Impact	No or Little Impact	Some Adverse Impact	Substantial Adverse Impact
Gender		✓		
Age		✓		
Disability	Positive Impact	No or Little Impact	Some Adverse Impact	Substantial Adverse Impact
Visually Impaired		✓		
Hearing impaired		✓		
Physical Disability		✓		
Specific Learning Difficulties		✓		
Global Learning Difficulties		✓		
Autistic Spectrum Disorder		✓		
Any other disability – Various		✓		
Other Factors	Positive Impact	No or Little Impact	Some Adverse Impact	Substantial Adverse Impact
Race		✓		
Culture		✓		
Religious Belief		✓		
Sexual Orientation		✓		
Gender Reassignment		✓		
Marriage/Civil Partnership		✓		
Pregnancy /Maternity /Paternity		✓		

Please comment on any areas where some or substantial impact is indicated. Any resulting actions must be added to the below action plan.

5. Is there anything that cannot be changed?

What cannot be changed?	Can this be justified?	If so, how?
Not applicable		
E.g., Disabled people can be treated more favorably under the Disability Discrimination Act 2005. If a policy appears to treat disabled people more favorably than other equality groups, the disadvantage may be justifiable		

Please list the main actions that you plan to take as a result of this assessment in your area of responsibility. (Continue on separate sheets as necessary)

<p>Action Plan:</p> <p>n/a</p>
