



Subcontracting Supply Chain Policy 2022-23

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1. Scope

This Subcontracting Supply Chain Policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity from 1st August 2019. The content of this policy has been developed in line with the ESFA Funding Rules, the LSIS Supply Chain Management document and the AOC/AELP Common Accord.

This policy relates to activity funded through the **Education Skills Funding Agency (ESFA)** whereby Hull College enters into a subcontracting agreement with a supplier for Apprenticeship or Adult Skills recruitment and delivery.

This policy provides transparency for all sub-contractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to sub-contracted provision under Hull College's direct contract with the ESFA.

2. Rationale for Subcontracting

Hull College;

- Recognises the benefits that effective subcontracting can bring to extending the accessibility of provision for learners and thereby contribute to the economic prosperity.
- Uses subcontractors to widen participation amongst learner groups that it would otherwise be "hard to reach" and other individuals that face barriers to participation in learning and work.
- Uses subcontractors as appropriate to fill gaps in, and to extend the breadth of its provision: for example, through widening the range of apprenticeship frameworks offered to employers and learners and broadening the range of sector subject areas or business sectors that can be covered.
- Support individuals who share protected characteristics, where there might otherwise be gaps.
- Enhance opportunities available to learners.

Equality Impact Statement

We have a duty to consider the impact of changes on groups with Protected Characteristics (race, disability, age, sexual orientation, religion or belief, gender reassignment, pregnancy and maternity, marriage and civil partnership)

3. Communication

- The college will communicate and discuss the subcontracting policy with existing and potential delivery subcontractors through regular business review meeting (for existing sub-contractors) and for potential new sub-contractors this will be carried out at on boarding meetings.

4. Quality Improvement

Hull College;

- Actively works with subcontractors to improve the quality of the teaching and learning they deliver and thereby improve the overall quality of teaching and learning for all College learners.
- 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 subcontractor and delivery staff and observations are incorporated into the Colleges quality calendar, in order that improvement actions impact both internal and subcontractor quality.
- Carries out learner voice surveys to gather feedback from learners.
- Supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.
- Supports subcontractors to develop an effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) and will incorporate subcontractors' SARs and QIPs into the whole College SAR.

5. Fees and clawback

- Hull College will retain a Management Fee of 17.5% of funding for Apprenticeships and a 20% Management Fee for Adult Education Budget in 2021/2022.
- The Management Fee is calculated based on the level of resource required: to manage effectively the individual subcontractor relationship; to ensure funding returns and requirements are met and to ensure that the high quality of delivery to learners is maintained and that any risk to the College and Skills Funding Agency is mitigated.
- Hull College will retain a 10% retention fee which will be returned at the end of the contract year subject to subcontractors achieving all contract key performance indicators.
- Claw back will be applied to subcontractors who under deliver, cannot provide appropriate evidence of learning and or as a result of internal and external audits.

6. Costs for Managing Sub-contractors.

- Hull College will provide a detailed breakdown of all quality monitoring activities and other specific costs in all subcontracting contracts. The costs are determined by a percentage of staff costs and relevant overheads. This will be communicated to all subcontractors prior to entering into a contract.

7. Support Provided to Subcontractors

Hull College:

- Has a Head of Stakeholder Engagement Manager to manage the relationship with every subcontractor, including the co-ordination of Due Diligence

process and regular Contract Monitoring Meetings with every subcontractor.

- Has a Vice Principal of Quality and Programme Quality Leads, to ensure that the quality of every subcontractor's teaching, learning and assessment meets the College standards and to support the continuous improvement of the subcontractor's provision, including any relevant staff training and CPD opportunities.
- Has a Compliance, Funding and Policy Coordinator and a Director of Funding and Information to ensure the timely and accurate recording of student information on the College's ILR.
- Commits to undertake a regular and substantial programme of quality assurance checks on the education and training provided by subcontractors, including visits at short or no notice and face-to-face interviews with staff and students. These checks include whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes.
- Ensures that all of the subcontractor's delivery meets the ESFA's Funding Rules.

8. Payment Terms

Payment terms and method of calculation are made in line with the contract. Payments will be made on a monthly basis, at the end of the month following the delivery period, which has been validated and payment confirmed by the ESFA. Payments will be made based on the funding confirmed and received, less the applicable Management Fees and retention.

9. Communication

The Fees and Charges Policy is available on the College website www.hull-college.ac.uk

10. Policy Review

The fees and charges policy will be routinely reviewed annually, however, may be reviewed in-year in response to any relevant changes in government policy or funding rules.

11. Due Diligence

The college has a due diligence framework. To be considered for subcontracting please contact the College at Amy.drury@HCUKTraining.co.uk The process for bidding to become a subcontractor will involve, as a minimum:

- Completion of **Due Diligence Application Form**
- Satisfactory annual accounts for the last accounting year
- Satisfactory credit rating
- Satisfactory track record of delivering government funded training e.g. achievement rates

As a minimum, all subcontractors will be required to re-validate their due diligence every year.

12. Intervention

When a subcontractor is not performing according to contract, or there have been other significant issues and/or 'causes for concern' identified which may be of a financial, quality or audit nature, the Apprenticeship & Subcontracting Contract Manager will refer the matter

to the Commercial Director, Finance Director, Vice Principal or Principal and CEO, as appropriate.

Action taken may include, but not limited to:

- The production of an Action Plan, with or without identified support.
- Financial penalty
- An **Improvement Notice** issued
- Higher Management Fee imposed, with mandatory support
- Termination of contract

13. Using Subcontractors in the Delivery of Apprenticeships

From the outset of each apprenticeship, the College and employer will agree a plan for its delivery. The College must 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 the College will deliver for each employer will have some substance and will not be a token amount.

The College may use delivery subcontractors to complement its own delivery, if requested by an employer and agreed at the start of an apprenticeship. Within an employer's apprenticeship programme, delivery subcontractors will deliver either substantial or part-apprenticeship training. The scale and make-up of an employer's programme may vary from month to month or from year to year.