



# DERBY COLLEGE GROUP POLICY

## Subcontracting Policy

(including Supply Chain Fees and Charges)

Policy Number:	APP-005 FIN-011
Executive Owner:	Chief Finance Officer
Owning Strategy / Department:	Finance/Subcontracting
Approval Board / Committee / Group:	Corporation
User Group:	All staff involved with DCG's subcontracting work
Relevant To:	As above
Implementation Date:	April 2012
Approval Date: October 2020	
Start of Review Date:	August 2021
Expiry Date:	November 2022

Date:	October 2021
Ref:	V7
Originator:	Chief Finance Officer
Area:	Finance/ Subcontracting

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**POLICY - PROCEDURES - GUIDELINES - RELATED DOCUMENTS**

## Policy Accountability and Implementation

Policy Title:	Subcontracting Policy
Policy Author / Reviewers:	Chief Financial Officer
Policy Implementation:	Chief Financial Officer
Policy Monitoring and Compliance:	Chief Financial Officer
Policy Review Timeline:	Annually or after any change to statutory requirement, organisational, management change or HSE guidance

### Synopsis:

This Policy sets out DCG's rationale for working with Sub-Contractors and the methodology used to determine fees and charges anticipated with such partnerships. In line with the Education Skills Funding Agency (ESFA) requirements, this policy outlines how DCG 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.

## Policy Classification and Publication

### Classification

- Essential Authority (EA)

### Publication

- Intranet – Policy portal
- Website

### Empowering/related legislative and/or authoritative references:

None

### Impact Assessment reference: N/A

## Periodic Policy Review / Change History

*Note: Please make it clear if change/review relates to procedures, guidelines and associated documents only or it is a rational for a new or substantive policy review*

Version	Reviewed / Modified by:	Change History	Advisory committee / groups or specialists	Review / Meeting Date/s
V2	Partnerships & Subcontract Manager	Subcontracting Policy and Procedure merged with Subcontracting Supply Chain Fees Policy and Procedure.		
V3	Partnerships & Subcontract Manager	Updated to reflect current status		
V4	Partnerships & Subcontract Manager	Section 5.5 to reflect change of Director Section 6.2 change of re-observation length Section 6.3 removal of bullet numbers Minor amendments to flow chart Removal of reference of RoATP £100,000 threshold to enter register under Section 2.5 and 5.9.	Corporation	17 December 2018
V5	Deputy Principal and Chief Finance Officer (CFO)	A review of the policy undertaken with no additional changes proposed	Corporation	16 December 2019
V6	Director of Quality and Compliance, CFO	A review of the policy undertaken with no additional changes proposed. COVID 19 Addendum attached. Funding allocations to our Partner organisations updated	Corporation	October 2020
V7	CFO	A review of the policy undertaken, updated Person Responsible All dates updated References to quality business partners removed.	Corporation	October 2021

# 1. Policy Statement

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

DCG 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 Subcontracting Policy ('The Policy') sets out DCG's rationale for working with Sub-Contractors and the methodology used to determine fees and charges anticipated with such partnerships. It is a requirement of the Education Skills Funding Agency (ESFA) Funding Rules Document.

In line with the ESFA requirements, this policy outlines how DCG 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 DCG 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, Group Employees, Students or Visitors.

DCG will take all reasonable steps to ensure that the delivery of education and training by the Sub-Contractor adheres to the Group's Equality and Diversity Policy and any legislation relating to Equality and Diversity.

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

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

This document sets out DCG's policy on the selection, appointment and management of Sub-Contractors.

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 Group or third party.

### 2.1 Sub-Contractor

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

### 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

Education 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 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 enter the RoATP, in accordance with the Funding Rules.

#### **2.6 Due Diligence**

The Group 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 qualifications 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 (Exc. HE provision)
- 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**

In accordance with ESFA guidance, the Group 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 Sub-Contractors will be expected to hold Matrix Accreditation or attain Matrix Accreditation within six months of the commencement of any contract with the Group

#### **2.8 Remuneration**

The Group 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 Group will increase the management fee to cover additional work. The Quality Cycle process is in place to ensure compliance.

### **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 Group whilst delivering education and training programmes on behalf of the Group.

### **4. Scope and Limitations**

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

- Sub-Contractors achieve a minimum standard to be considered a partner with DCG;
- 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 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 an important priority for the Group, addressed through comprehensive policies and procedures that are effectively implemented and appropriately resourced within the overall financial position of the Group.

#### **5.2 Executive Team**

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

#### **5.3 Group Leadership and Management Team**

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

#### **5.4 Chief Finance Officer**

The Chief Finance Officer takes strategic responsibility for applying the Sub-Contractors policy. The Delivery Partners and Sub-Contractors the Group 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 Subcontracting Manager**

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 Group 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.

#### **5.7 Sub-Contractors and their employees**

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

Sub-Contractors must comply with the Group'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 Group procedures.

### **5.8 The Sub-Contractor is responsible for:**

- Providing the information requested by the Group as a part of the due diligence process.
- Sub-Contractors must comply with the Group'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 Group procedures.
- Providing information to the Group about how its activities will affect Group students, and others for whom the Group has a responsibility prior to any work being undertaken.
- Providing the Group, documentation to enable the Group 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 Group for the duration of the Agreement.
- Ensuring that Students are eligible for funding in accordance with ESFA Funding Rules 2021/22 and any subsequent amendments.
- Informing the Group 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.
- Being Matrix Accredited and maintaining its accreditation or attaining accreditation at its own cost.
- Completion of an annual Self-Assessment Report.
- 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** DCG works with sub-contract providers primarily for but not limited to the following reasons:

- The Group recognises and values the diverse range of learning opportunities provided that may not otherwise be available at DCG, through partnership with external Sub-Contractors, this enables DCG to offer a more comprehensive curriculum to potential students, employers and stake holders.
- Working in partnership enables DCG 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 DCG.
- Ability to engage local employers that would not otherwise engage with DCG.
- Specialist provision not otherwise available at DCG

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

- Monitoring of provision by making announced and unannounced 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.
- Moderation/IQA/EQA visits

DCG will provide to the Sub-Contractor:

- All required documentation to complete and satisfy the requirements of quality assurance, audit and inspection.
- DCG Students must have access to Student Services, Additional Student Support, Bursary funds, Student Union and College facilities.
- Data relating to the Sub-Contractor's students in line with GDPR.
- 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 Group has the right to increase the Management Fee.

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

**6.2.1** DCG implement an account management process that maintains regular contact with our Sub-Contractors. This forms part of the Quality Cycle that is in place 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 issued with an action plan for improvement are subject to a re- observation within a six week 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.

**6.2.4** DCG invite all Sub-Contractors and their staff to attend Continual Professional Development (CPD) training opportunities and events to contribute to the

improvement of teaching and learning. DCG 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 DCG 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 DCG shall be agreed in the contract between the parties and shall be determined by the following:

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 Group in support of delivery.

**6.3.2** The Group 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 Group.

**6.3.3** The fee structure shall enable the Group to increase the management fee in relation to any failure by the Sub-Contractor to hit agreed standards and targets.

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

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

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

<b>Provision of services by the Group</b>	<b>Standard fee as proportion of funding earned</b>	<b>Possible range of fee as proportion of funding earned</b>	<b>Direct charge for specific services</b>
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 Group	N/A
Additional specific services	N/A	N/A	To be charged in accordance with cost of specific service to Group



## **6.4 PAYMENT TERMS**

**6.4.1.** The level of fee charged by the Group 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 Group.

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

- A monthly schedule of payment
- A final payment reconciliation payment which shall be in arrears against funding claimed by the Group in the contract period. This payment shall only be made in receipt of satisfactory evidence as so deemed by the Group and as stipulated in the schedules of the contract.
- A requirement for the Group to make payment to the Sub-Contractor within the payment terms of the Group.
- The Group will uphold the right to withhold payment where risk to the funding has been identified by the Group.
- The Group 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 Group with all potential partners prior to entering into a sub-contract partnership.

**6.5.2.** The policy is distributed to the Group's Executive Team.

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

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

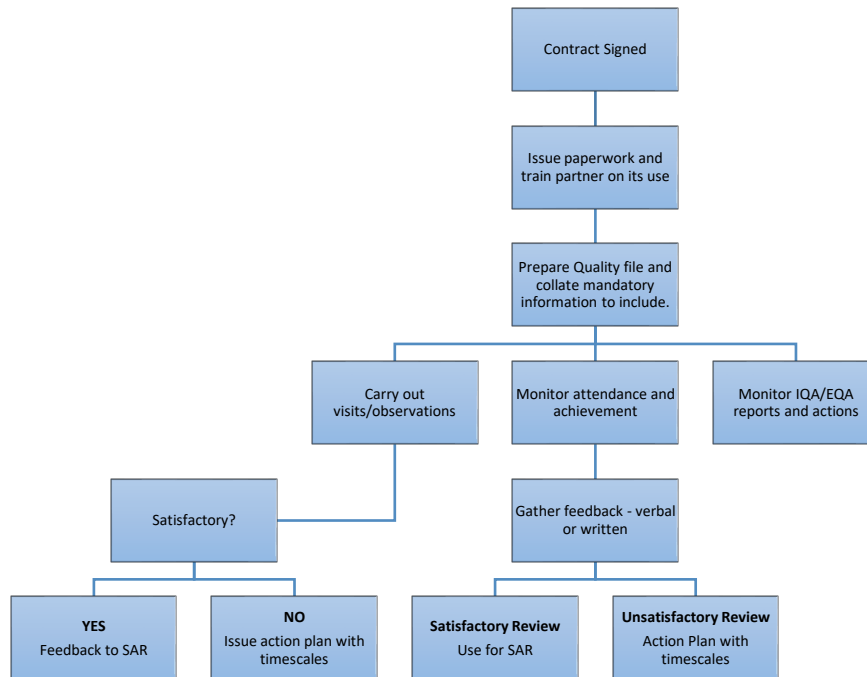
## **7. Monitoring and Review**

**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** Sub-Contractors are responsible for ensuring that they co-operate with DCG (and its representatives) to ensure compliance with this policy.

## 8. Guidelines

The flowchart below demonstrates the workflow process in relation to this policy:



## 9. Procedures

There are no specific procedures in relation to this policy.

## 10. Templates / Forms

COVID-19 Addendum to Subcontracting Policy  
Subcontractor Health, Safety and Safeguarding Assessment Record

## 11. Related Documents

Funding allocations to our Partner organisations – Subcontracts 20-21 (R14) – to be supplied when finalised.