

Supply Chain Subcontracting & Payment Policy – 2023/24

Review

Formal Review Cycle	Annual		
Latest Formal Review (date)	July 2023	Next Formal Review Due (date)	July 2024
Policy Owner	Vice Principal Partnerships and Commercial		
Policy Author	Head of External Funding and Contracts		

Approvals

Board of Corp Y/N	Y	Committee	FRP	Date Board approved	04.07.23
SLT Y/N	Y	SLT date approved		Additional committee	

Publication

Website Y/N	Y	Unify Y/N	Y	Student VLE Y/N		Other	
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Change History

Version	Date Reviewed/ Revised	Description of Change	Reviewed by	Approved by

Supply Chain Subcontracting & Payment Policy – 2023/24

1. Policy Statement

- 1.1. This policy is a policy of the City of Sunderland College, trading as Education Partnership North East (which includes Sunderland College, Hartlepool Sixth Form College and Northumberland College). These colleges will be referred to as “the College” throughout this document.
- 1.2. This policy sets out the framework for the rational, delivery and charges of subcontracted provision and has been written in accordance with the:
 - 1.2.1. Education & Skills Funding Agency Apprenticeship Funding & Performance Management Rules 23/24.
 - 1.2.2. Education & Skills Funding Agency Adult Education Budget (AEB) Funding & Performance Management Rules 23/24.
 - 1.2.3. Education & Skills Funding Agency Subcontract Management Standard
 - 1.2.4. North of Tyne Combined Authority AEB Funding & Performance Management Rules 23/24.
 - 1.2.5. Tees Valley Combined Authority AEB Funding & Performance Management Rules 23/24.
- 1.3. The College is committed to excellence at the heart of everything we do. This means we are continually striving to develop and maintain outstanding partnerships and student outcomes. We expect high quality provision which responds to the needs of students, local communities, regional economic agendas and government priorities. This is why we are focused on extending and diversifying the range of courses delivered to engage new and niche markets; to widen participation, and respond to emerging needs. As part of this strategy we are deeply committed to developing two-way partnerships with high quality, low risk supply chain subcontractors to deliver only the best education and training.
- 1.4. The College does not fund organisations defined as high risk through the college’s due diligence activity
- 1.5. Our subcontracted provision directly aligns with our strategic goals. All subcontractors must sign up to the College’s core professional values: Ambitious, Innovative, Authentic and Respectful.

2. Scope

- 2.1. This policy covers both our Subcontracting & Payment Policy, which fulfils the requirements of the Education & Skills Funding Agency.
- 2.2. This policy applies to all organisations who hold a supply chain subcontract for the delivery of education and training with the College, either procured through the College’s framework agreement or subcontracted delivery procured outside of the agreement to meet specific needs, all in line with our subcontracted plan.
- 2.3. This policy should be read in conjunction with the college’s Subcontract Management Framework.

3. Disclaimer

- 3.1. The College reserves the right to amend our subcontracting arrangements at any time including the terms and conditions contained in any contracts for subcontracted provision.
- 3.2. The College will immediately recover in full any funds paid to a subcontractor, which are subsequently found not to be due, regardless of the reason.

4. Aims of the Policy/Underpinning Principles

4.1. The principles guiding this policy include:

- 4.1.1.** High quality subcontracted provision that will meet the high standards and priorities of the college group.
- 4.1.2.** High level of support and guidance provided to support subcontractors to continually improve.
- 4.1.3.** Full compliance with the ESFA and/or Combined Authority funding rules.
- 4.1.4.** Efficiency in payments to subcontractors that are in line with the terms of the agreement.

4.2. Why we Subcontract

4.2.1. In line with our Strategic Plan – specifically goals 1, 2 and 5 – are objectives for subcontracting are to:

- 4.2.1.1. Enhance opportunities available to students, to engage those who are NEET and to meet the needs of new and niche markets.
- 4.2.1.2. Widen participation, bringing positive community benefits and respond to emerging needs.
- 4.2.1.3. Meet the current and future skills needs and demands of the region’s key economic sectors and labour market.
- 4.2.1.4. Grow market share through long term, sustainable, two way, mutually beneficial partnerships with low risk, outstanding supply chain partners.
- 4.2.1.5. Ensure an offer which complements, improves access, does not compete with the existing product portfolio of the college group and realises outstanding student outcomes.
- 4.2.1.6. Enable the college group to respond quickly to changing demands, through a flexible, agile supply chain.

4.3. Priorities for Subcontracting

4.3.1. Provision

- 4.3.1.1. 16-18 Community Based Study Programme, which engages NEETs where the organization has ESFA permission to deliver 16-18 provision.
- 4.3.1.2. 19+ Maths & English Provision.
- 4.3.1.3. 19+ employment route-ways, which support adults into work and respond to employer demand.
- 4.3.1.4. 19+ Distance Learning linked to key sectors and employers
- 4.3.1.5. Apprenticeships linked to key sectors and employers.

4.3.2. Sectors

- 4.3.2.1. Advanced Manufacturing & Engineering
- 4.3.2.2. Logistics & Transport
- 4.3.2.3. Health & Social Care

4.3.3. Target Groups

- 4.3.3.1. 16-18 Year olds with a focus on NEETS
- 4.3.3.2. 19+ unemployed
- 4.3.3.3. 19+ employed and earning below earning threshold to receive full funding

4.3.4. Geography

- 4.3.4.1. North of Tyne (specifically Northumberland)
- 4.3.4.2. North East (specifically Sunderland and its suburbs)
- 4.3.4.3. Tees Valley (specifically Hartlepool)
- 4.3.4.4. By exception, outside North East (AEB funding only)

4.4. The College values diversity and inclusion and is committed to promoting equal opportunities and eliminating discrimination. Therefore, everyone will apply and administer this policy fairly and consistently to ensure that there is no discrimination on the grounds of age, disability, gender reassignment, marital and civil partnership status, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

5. Implementation

5.1. Subcontractor Professional Development Programme

- 5.1.1.** A programme of events and information is in place to support the professional development of subcontractors' staff. The primary focus is improving teaching, learning and assessment, as well as discussion of key issues facing the sector, for example Ofsted requirements, funding changes, the sharing of good practice amongst partners and key policy drivers such as the Prevent Agenda, Bribery & Corruption and Designated Safeguarding Lead Training.

5.2. Teaching and Learning

- 5.2.1.** The College is committed to creating outstanding learning opportunities for all our learners. Subcontractors are in scope for the College's Teaching, Learning and assessment policy. We will support, develop and share good practice with subcontractors through quality reviews, operational and compliance meetings, lesson visits, Professional development opportunities and employer and student evaluations. In addition, subcontractors will have access to the College policies and procedures.

5.3. Management Information

- 5.3.1.** Subcontractors must ensure timely and accurate submission of all evidence to enable the monthly management, monitoring, checking and processing of ILR data and attendance.
- 5.3.2.** Subcontractors must engage in regular communication and or meetings with the College's Funding & Data Manager and Head of External Funding & Contracts to ensure completeness and accuracy of ILR data and payments.
- 5.3.3.** For any funding to be generated and claimed for any given month, subcontractors are required to submit all enrolment and achievement evidence to ensure the data is processed by the College in time for the monthly ILR return and subsequent funding allocation.
- 5.3.4.** Should poor or inaccurate subcontractor data be transferred to the college's ILR, in certain circumstances, funding may not be paid and further investigations will likely follow.

5.4. Key Performance Indicators (KPIs)

- 5.4.1.** Subcontractors commit to KPIs including quality, financial and compliance, agreed as part the subcontract with the college.
- 5.4.2.** The KPIs ensure the provision funded by the College is of high quality and low risk, delivering only the best quality education and training to our students.
- 5.4.3.** The College will closely monitor performance against agreed KPIs. Contracts may be adjusted accordingly, at any point in the year where KPIs are not being met.

5.5. Funding and Audit Guidance

- 5.5.1.** The College will assist subcontractors with the interpretation of funding rules for all types of provision and liaison with regards to audit evidence and other Funding Body compliance requirements.

5.6. College Facilities

- 5.6.1.** Subcontractors may be offered use of the College campus facilities for College funded students.

5.7. Identifying Subcontractor Support Required and Associated Costs

- 5.7.1.** The College is committed to ensuring the level of funds paid to subcontractors is maximised, to secure the highest quality of delivery for our students. Placing excellence at the heart of everything do, we provide a high level of support to continuously improve the quality of our subcontracted delivery.
- 5.7.2.** The College will pay subcontractors in the region of 75%-80% of the funding available. To ensure the effective management of subcontractors, full compliance with the ESFA funding rules and that we only fund high quality, low risk delivery, we provide a suite of standard support and services to our subcontractors, as a minimum, including procurement, support and contract management.
- 5.7.3.** Payments take into consideration previous experience and delivery history; support requirements; locations of delivery; achievement rates; Awarding Body accreditation; OFSTED; EQA reports and levels of risk determined by due diligence.
- 5.7.4.** All subcontractors receive a high level of support and guidance. The table provided in Appendix A follows an outline of the College's services provided and responsibilities in regards to partnership work. The table is not exhaustive and the level of support required is discussed with each subcontractor prior to contracts being issued taking into consideration experience, capacity, volume of provision, track record and due diligence checks.
- 5.7.5.** The costs associated with the support outlined in the table provided in Appendix A are proportionate to the contract value, to ensure a fair and equitable contribution to costs, based on contract value. Individual costs are set out in each subcontract. As an example, the costs below have been modelled based on a £100,000 subcontract.

5.8. Quality Assurance

- 5.8.1.** Subcontractors will be monitored, supported and guided to ensure their provision fully complies with the College's Teaching, learning, assessment and Quality policy encompassing the approach

to teaching, learning and assessment, quality enhancement and quality assurance. Teaching and learning is at the heart of everything we do, which ensures positive outcomes and an enriched learning experience for all students.

- 5.8.2.** Each member of teaching staff will only be approved by the College following a review of their CV and qualifications, to ensure they have the appropriate qualifications, skills, expertise and experience to teach our students. This is in addition to completion of mandatory training and DBS checks.
- 5.8.3.** Each of our subcontractors will be allocated to a Curriculum Link / QTLA Manager, who's expertise aligns with the subcontracted provision being delivered.
- 5.8.4.** Their role is to support, guide and improve the quality of teaching and learning through a schedule of planned support or monitoring activities, which include:
- Lesson visits of Teaching, Learning and Assessment including reviews of distance learning and action planning
 - Inclusion in audit and internal inspection processes, provision of partnership handbooks
 - Tutor approvals
 - Quality Visits scheduled throughout the year
 - Sharing Best Practice
 - Scrutiny of students work and progress
 - Subcontractors attending Professional Development Events
 - Announced and un-announced visits
 - Achievement Rate data analysis, reporting and action planning for early intervention if Achievement Rates fall below required standards
 - Quality surveys with feedback to subcontractors including Action Plans or intervention strategies should feedback fall below required standards
- 5.8.5.** Subcontractors also get a direct link with a named person in our Partnership Office for dealing with any ad-hoc queries and a named manager as your primary link with the College.

5.9. Payment Terms

- 5.9.1.** Payments are made to subcontractors once received by the Education & Skills Funding Agency or equivalent, limited to the maximum cumulative monthly value in the contract. Calculations are determined by details on the ILR which is run on a monthly basis. We will pay subcontractors within 30 days of receipt of a valid, undisputed invoice.
- 5.9.2.** The College defers 10% of the value of on programme payments for each student until a student is reported in the ILR as achieved (Timely Framework Achievement for Apprenticeships) or continues into the next academic year and all conditions outlined in the contract are met.
- 5.9.3.** Apprenticeship payments are subject to the minimum 6-week stay. No start payment will be made until after the minimum stay payment.
- 5.9.4.** Achievement payments will be included once evidence has been received that students have received certification.

5.10. Publication of Payment Data

5.10.1. The actual level of funding paid to each subcontractor will be published by the Education & Skills Funding Agency in line with their published guidelines.

5.11. Policy Communication

5.11.1. This policy is communicated to and discussed with all subcontractors as part of our contract clarification.

5.11.2. This policy is published in the public domain, available at <https://www.educationpartnershipne.ac.uk/subcontractor-policy-information/> and supplied to all new and existing subcontractors. If you require a hard copy of alternative format and/or language please contact the partnership office on 0191 5116000.

6. Responsibilities

- 6.1. Board of Governors: Consider and approve the College's policy annually. Receive and consider reports on subcontractor provision including quality of education and financial performance. Seek assurances that the College is complying with the ESFA funding rules and the Subcontract Management Standard.
- 6.2. Executive Leadership Team: Consider and approve subcontract plan. Consider and approve subcontract awards. Receive and consider reports on subcontractor provision including quality of education and financial performance. Seek assurances that the College is complying with the ESFA funding agreement and the Subcontract Management Standard.
- 6.3. Vice Principal Partnerships & Commercial (Group): Strategic oversight of all aspects of Supply Chain delivery. Receive reports on all aspects of subcontractor performance, seeking assurance that delivery is of high quality and low risk, that aligns with the College's strategic aims, objectives and subcontract plan.
- 6.4. Associate Principal Teaching Learning & Quality: Strategic oversight of the Quality of Supply Chain delivery.
- 6.5. Head of External Funding & Contracts: Responsible for the end to end management of supply chain partners. Ensuring full compliance with ESFA funding rules. Monitoring and reporting on all aspects of subcontracted performance to the Vice Principal Partnerships & Commercial (Group), Executive Leadership Team & the Board of Governors, to confirm we only fund high quality, low risk supply chain partners.
- 6.6. Performance Quality & Standards Committee: Operational oversight of subcontracted delivery focusing on quality, compliance and risk.
- 6.7. External Funding & Contracts Team: Operational responsibility for the administration of all aspects of each subcontract relationship. Ensuring full compliance with ESFA Funding Rules, Audit requirements, College Policies & Procedures.
- 6.8. Faculty Director & QTLA Manager: Operational management and support for all aspects of quality assurance.
- 6.9. Subcontractors: Ensuring delivery full complies with all aspects of the subcontract, ESFA funding rules and audit. Ensuring full compliance with all college policies and procedures. Immediately informing the college of any risks, issues or non-compliance in relation to their subcontract with the College.

7. Associated Documents

- EPNE Subcontract Management Framework
- ESFA Funding Agreement.

- ESFA Funding Rules.
- ESFA Subcontracting Standard.
- North of Tyne Combined Authority AEB Funding & Performance Management Rules 23/24.
- Tees Valley Combined Authority AEB Funding & Performance Management Rules 23/24.

8. Policy Monitoring and Review

8.1. The College regularly reviews all College policies to ensure equal opportunities.

8.2. This policy will be reviewed on an annual basis or when significant changes occur.

9. Equality Impact Assessment

Have you sought consultation on this policy?		No.		
Details:				
Could a particular group be affected (negatively or positively)?	Impact Y/N	Description of Impact	Evidence	Mitigation/Justification
Protected characteristics under the Equality Act 2010				
Age	Y	The priority of working with subcontractors who provide distance learning may have a positive benefit on young people who do not have access to easy transportation to attend in person lessons		
Disability	Y	The priority of working with subcontractors who provide distance learning may have a positive benefit on those with disabilities who may find it difficult to attend in person lessons		
Gender Reassignment	N			
Marriage and Civil Partnership	N			
Pregnancy and maternity	Y	The priority of working with subcontractors who provide distance learning may have a positive benefit on parents who may not have access to		

		child care making it difficult to attend in person lessons		
Race	N			
Religion or belief	N			
Sex	N			
Sexual Orientation	N			
Additional characteristics to consider				
Young Persons in Care & Care Leavers	Y	This policy will have a direct, positive effect on those within these groups as its aim and priority is to widen participation and ensure young people do not become NEET	See Section 4	
Young Carers & Care Givers	Y			
Young Parents	Y			
Youth Offenders	Y			
Those Receiving Free School Meals	Y			
If there is no impact, please explain:	For those areas with no impact, the policy does not directly or indirectly impact any certain group: for example, the priorities set forth in Section 4.3 include all age groups			

Appendix A

Group Services Provided and Associated Costs

Support / Activity	% of costs Apportioned Across Services	Annual Cost Example (Per £10,000 of contract)	Description of how each specific cost is reasonable and proportionate to delivery of the subcontracted teaching or learning and how each cost contributes to delivering high quality learning
<u>Internal Monitoring & Reporting:</u> Contract Compliance, Budget, Quality, Risk Management	5.0%	£100	Ensures the quality and compliance of provision is robustly monitored and reported to the Executive Leadership Team & Governors.
<u>Quality & Compliance External Monitoring Activities & Support</u> Contract Compliance & Quality Visits Teaching & Learning Observations Announced & Unannounced Visits Continuing Professional Development, including Training & Support (On and off Site) Curriculum Review Guidance & Support from a range of teams including: Funding Quality Intensive Support Team (Safeguarding, Prevent) MIS & Data Inclusion in audit and internal inspection processes, provision of partnership handbooks Tutor approvals	55.0%	£1,100	It ensures timely action can be taken where required to mitigate risk, ensuring the college only funds a high-quality learning experience for all our students. The % accounts for staff time from across the organisation at all levels, who are involved in the management and oversight of subcontracted delivery. This is a requirement of the College, ESFA, OFSTED and our external auditors.
<u>Financial Transactions (invoicing).</u> Invoice Calculation, reconciliation, payments	1.0%	£20	Ensures Safe, Secure & Auditable Transactions to Subcontractor
<u>Internal Support Services:</u> Access to Guidance & Support across all College Services Enrolment: Support with enrolment and administration procedures including initial training and regular updates/refresher sessions Enrolment information including supply and distribution of student charters and disciplinary procedures	38.0%	£760	Ensures fully compliant evidence to substantiate all public funds claimed and timely processing and submission of data to funding agency. The % accounts for staff time from across the organisation at all levels, who ensure fully compliant evidence is validated and claimed from the ESFA. This is a requirement of the College, ESFA, OFSTED and our external auditors

<p>Registers, tracking of attendance, reconciliation and student transfers and withdrawals ensuring timely data returns within census points Supply of necessary documentation</p> <p>Data: Data Input & Validation ILR Submission and maintenance, bespoke runs, provision of ILR data to subcontractors for QA monitoring and invoicing purposes Data Reconciliation including, completion, achievement Data Queries, funding claw back, Student tracking, forecasting, and utilising data for early intervention Funding approvals, eligibility checking of proposed qualifications GDPR, Freedom of Information requests Where students are aged 16-18 tracking of attendance to ensure entitlement to bursaries</p> <p>CPD Access to College Wide CPD activities including annual QTLA conference, cross College events Requirement to complete mandatory or essential training</p> <p>Specialist Support Advice is given re Safeguarding, Prevent, British Values, Equality & Diversity procedures IAG and progression opportunities are available to all students H&S checks of venues, Risk Assessments where appropriate</p> <p>Other: Any reasonable support or assistance which we can offer that a subcontractor might need. Maintenance of subcontractor files Performance reports Paperwork Compliance Course Code request Time Tabling</p>			
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<p>Staff Vetting & Approval Contract Preparation Complaint investigation Dispute resolution Any reasonable support or assistance which we can offer that a subcontractor might need. Partnership Approvals Reporting on essential CPD training completion rates with expectations for 100% timely completion</p>			
<p>Audit Preparation throughout the year</p>	1.0%	£20	<p>An ESFA funding requirement, preparation and cost of audit. The % accounts for staff time from across the organisation, which ensures the college & its subcontractors are fully compliant with ESFA subcontractor controls & regulations.</p>
<p>Due Diligence & Ongoing Checks</p>			
<p>Student Learner Voice Survey</p>			
<p>Support with ESFA Register Applications (ROATP) including business cases, references, performance reports</p> <p><i>Exams:</i> Exam registration and accreditation services can be provided including certificate distribution or collection of proof of achievement where subcontractors are their own accredited centres. IV/EV where appropriate Processing of achievement data, assessment boards Exam Fees, IQA & EQA.</p>			<p>Only applicable where partner uses College accreditation.</p>