



<b>Name of Policy / Strategy:</b>	<b>Subcontracting and Community Learning Partnership (CLP) Grant Funding Policy 2020/21</b>		
<b>Written by:</b>	Justin Speirs, Assistant Director of Curriculum & Partnerships		
<b>Approved by:</b>	SS&L Board	<b>Date:</b>	19 <sup>th</sup> May 2020
<b>Implementation Date:</b>	1 August 2020		
<b>Review date*:</b>	June 2021		
This document will be reviewed every year or when there are operational or legislative changes that require a review.			
<b>Associated policies, procedures &amp; Strategies:</b>	<b>Fees Policy</b>		
<b>Amendments (include date)</b>	Reviewed and updated by Kathryn Baker on 10 September to reflect ESFA's new requirements following the recent sub-contracting consultation.		

Approved by:

Susie Simon-Norris, Chief Executive Officer

Signature:

*Susie Simon-Norris*

Susie Simon-Norris (Oct 8, 2020, 12:21pm)

Date: 08 Oct 2020

Dominic Lynch, Chair

Signature:

*Dominic Lynch*

Dominic Lynch (Nov 24, 2020, 10:53am)

Date: 24 Nov 2020

## **Introduction**

Somerset Skills & Learning CIC (SS&L) is committed to providing high quality education and training and an outstanding learner experience, including delivery received through sub-contracted or community based, grant funded partners. Quality, achievement and community development are key drivers for the provision. Sub-contractors and partners are required to adhere to SS&L's policies and procedures for the delivery of teaching, learning and assessment and engage positively in the process of continuous improvement and self-assessment.

The Board of Directors, including the CEO must be satisfied and confirm that all subcontracting to be undertaken meets SS&L's strategic aims and objectives and enhances the quality of the offer to learners, and where entering into a sub-contracting arrangement, the sub-contractor is deemed to be of high quality and low risk.

## **Rationale for Subcontracting**

SS&L is committed to the delivery of a wide range of high quality courses that meet the needs of the community in Somerset, in line with funders' priorities and identified local skills gaps and needs. Where appropriate some provision will be delivered through high quality sub-contractors and community based partners who have the experience and expertise to meet specific learner needs. Any sub-contracting arrangement entered into by SS&L is subject to a robust due diligence process and is signed off by the Deputy CEO (Executive Director).

## **The Scope**

SS&L is committed to growing and diversifying the range of provision on offer in order to ensure that potential learners have access to relevant and appropriate learning opportunities, whilst also ensuring that the most disadvantaged and excluded individuals/groups can be reached. SS&L recognises that to ensure the highest quality education and training is provided, it may be required to draw on the appropriate knowledge, skills and expertise through a sub-contracted arrangement.

SS&L therefore recognises the value of working with partners through sub-contracting arrangements in order to achieve its Community Learning and strategy objectives, we aim to;

- Work with a range of organisations and partners to meet learners' and employers' needs.
- Engage with hard-to-reach learners through learning activities relevant to their personal circumstances and local priorities;
- Maintain a balanced and wide-ranging high quality programme offer and deliver a variety of learning activities based on the identified needs of local communities;
- Sub-contract the delivery of learning activities where partners are better placed to identify and engage those who would benefit most from Community Learning;
- Support achievement and progression in order for individuals to gain new skills and confidence relevant to their personal circumstances and local priorities.
- Respond actively to a wide range of individual learner, family and community needs across all parts of the county;
- Respond rapidly to local, regional and national initiatives.

## **The Policy**

SS&L will continue to have a mix of sub-contracted and direct delivery in 2020/21. Sub-contractors will be contracted only when the best interests of the community and the individuals are served through the use of partners. SS&L will only use sub-contractors when it believes it has the appropriate knowledge, skills and experience within the organisation to successfully procure, contract with and manage these subcontractors. SS&L has well developed and established procedures relating to the safeguarding of learners, which include ensuring that subcontracting/grant funding does not lead to the inadvertent funding of extremist organisations. SS&L will use its supply chains, networks and CLP to optimise the impact and effectiveness of service delivery to the end user.

SS&L will therefore ensure that:

- a) Supply chain management activities comply with the principles of best practice in the skills sector. In particular, they will be guided by the principles given in the Education and Skills Funding Agency (ESFA) Funding Rules for 2020/21. In terms of status, SS&L will only subcontract and award grant allocations to organisations that have a UKPRN number and are classed as a 'legal entity' in their own right. This will be evaluated in terms of risk and status, as part of the due diligence process. Should SS&L have concerns about either aspect it will not allocate funds to a potential subcontractor or partner.
- b) SS&L will at all times undertake fair and transparent procurement activities in line with its Purchasing/Procurement Guide, conducting robust due diligence procedures on potential subcontractors of Apprenticeship delivery, Adult Education Budget funded provision (including classroom based/Community Learning) to ensure the highest quality delivery is made available, demonstrating value for money and a positive impact on learner lives.
- c) The funding that is retained by SS&L will be related to the costs of the services provided by SS&L in managing subcontracted and grant funded provisions. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.
- d) SS&L, in conjunction with the Community Learning Partnership, will advertise administer and manage bidding rounds specific to Community Learning grant funded projects in Somerset.
- e) Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the SS&L management team will engage their Board of Directors to act as an independent body. Contract documents will require both parties to agree that the achievements of supply chains are attained through adherence to 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.

## **Quality Improvement**

SS&L encourages a relationship with its subcontractors and community partners that extends beyond the definitions of the contract to one which operates in a spirit of support, guidance, co-working, transparency and challenge, where necessary, in order to drive improvements and to ensure the best possible outcomes for learners.

All learners and employers who are provided with education and training under a subcontract arrangement or via CLP grant based provision remain the responsibility of SS&L.

Subcontracted activity is recognised as a fundamental part of SS&L's provision. The quality of the provision will be monitored and managed through SS&L's existing Quality Assurance processes and procedures in order to fully encompass all subcontracted and CLP activity. All subcontractors and community partners will work with our experienced curriculum management and quality improvement staff to ensure that any delivery (teaching, learning and assessment) in our name meets our robust requirements for high quality learning experience and learner achievement.

The policy positions subcontracted provision as a core part of SS&L's activity to enable continuous improvements in the quality of teaching, learning and assessment for both SS&L and its subcontractors/community partners. This will be achieved through the sharing of effective practice across the supply chain and CLP, for example through the self-assessment process.

SS&L will ensure all current and potential subcontractors have sight of this policy and any other relevant documents, specifically our formal subcontracting agreement and detailed, comprehensive due diligence process.

Subcontractor/CLP grant funded provisions are subject to internal as well as external audit and performance monitoring, including Ofsted and relevant and relevant funding agencies. Co-operation with these processes are explicit within the contracting agreement.

## **Fees and Charges 2020/21 – Apprenticeships and AEB Funded Provision**

SS&L will retain a portion of all funding claimed against the provision delivered by a subcontractor. All retained funding is directly associated with the tasks and resources pertaining the effective management of subcontracted provision with a maximum retained value set at 20%. Any associated costs will be calculated by the anticipated time a resource required to ensure that a quality provision is provided and is associated with the following activities:

- quality assurance monitoring and oversight of contract
- administrative functions such as data returns and audit functions
- mandatory training and updates delivered to subcontractor staff by the directly funded provider
- reasons relating to underperformance

The above figures represent the total cost that SS&L incurs in managing these subcontracted provisions. This includes quality assurance/improvement activities, performance monitoring processes that SS&L undertakes and reflects any retained roles as part of the learner journey/funding body requirements. For Apprenticeships, this also includes the delivery of agreed learning objectives and account management activities.

SS&L may charge a fee to cover the cost of any activity that it might undertake on behalf of the subcontractor, for example:

- Awarding Organisation fees and charges;
- Hiring of facilities/equipment within/from SS&L;
- Internal verification.

All contracting is done on an annual basis and agreements will be recalculated and negotiated each year at contract renewal. On occasions, and only in very specific situations to ensure contractual continuity for subcontractors during a lengthy due diligence process, SS&L may issue a short-term contract, associated to carry over learners only. This ensures that subcontractors have a contract for payment and extends the terms of the previous Service Level Agreement (SLA). The issue of a short-term contract must be sanctioned by the Deputy CEO and may last for the maximum of two months post the contractual year end. A short-term contract must only cover payment for on programme payments and outcomes associated to carryover learners and not new starts, which must be funded via a new funding arrangement/contract for the contract year.

### **Fees and Charges 2020/21 – Community Learning Partnership (CLP)**

SS&L does not apply a retained funding formula to community learning subcontractors as the management of these contracts is an integral to the support package for Somerset's Community Learning Partnership partners and the development of community learning in the wider community.

### **Payment to Community Learning Partnership Partners**

Following a successful application to the Community Learning Partnership a contract is awarded. When this has been signed by all parties and returned by the CLP Partner an initial allocation of 10% of the agreed contract value is paid to support the development of the project.

The remainder of the contract value will be spread across the contract year and will be paid on a monthly basis upon the successful submission and checking of the required paperwork.

The final payment is made at the end of the project, pending verification of essential learner paperwork and confirmation that the learners have achieved their key objectives. Final learner numbers for the project are confirmed and a final payment is made in line with the financial annex of the contract.

### **Communication**

This policy will be reviewed and updated annually. It will be published on SS&L's website at the start of the contract year in which it will be applied.

Potential subcontractors and CLP partners will be directed to it as the starting point in any relationship and current subcontractors are referred to the contents/changes of our policy annually.

**Publication of Information Relating to Subcontracting**

In compliance with the Education and Skills Funding Agency and other agency funding rules that apply, SS&L will publish its subcontracting/fees and charges policy (Subcontracting/Community Learning Partnership (CLP) Grant Funding Policy 2020/21) on the SS&L website.



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