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| |  |  |  |  | | --- | --- | --- | --- | | **Name of Policy / Strategy:** | Subcontracting Policy | | | | **Written by:** | Justin Speirs, Director of Curriculum & Quality | | | | **Approved by:** | SS&L Board | **Date** | June 2024 | | **Implementation Date:** | June 2024 | | | | **Review date\*:** | June 2025 | | | |  | | | | | **Associated policies, procedures & Strategies:** | Fees Policy  Quality Strategy  Teaching, Learning & Assessment Policy | | | | Amendments (include date) | Removed specific reference to community learning as these arrangements sit with Somerset Council. Maintained reference to these partnerships under the arrangement with a funder, such as is the case with Multiply. (June 2024)  Inclusion of the potential to increase retained funding value beyond the 20% maximum for activity related to underperformance where additional resource is required or where this is negotiated at the start of a contract due to subcontractor requiring contract management above and beyond what is expected due to a lack of resource or experience. (June 2024) | | | |

**Introduction**

Somerset Skills & Learning CIC (SS&L) is committed to providing high-quality education and training and an outstanding customer experience, including through the delivery of subcontracted provision. Providing a quality offer that meets the needs of learners, employers and communities is SS&L's key driver and it seeks to inspire learning and support learners to reach their full potential, regardless of their starting point. Subcontractors and partners are required to adhere to SS&L's policies and procedures for the delivery of teaching, learning and assessment, while proactively and positively engaging in the process of self-assessment and continuous improvement planning.

The Board of Directors, including the CEO, must be satisfied and confirm that any intention for SS&L to subcontract is carried out in a way that meets the company's strategic objectives and enhances the quality of the offer to learners, employers and the community. Furthermore, any subcontracting arrangements entered into must be done only where the subcontractor is deemed to offer a quality provision and be of low risk.

**Rationale for Subcontracting**

In line with its funders priorities and identified skills gaps, SS&L is committed to delivering a range of high-quality learning programmes that meet the needs of its customer base. This includes its funders, individual learners, employers and wider communities. Where appropriate, SS&L will seek quality subcontractors and partners with the relevant experience, expertise and reach to meet specific customer needs. A thorough and robust due diligence process has been designed and is regularly reviewed in order to vet potential subcontractors and partners before entering into a contract. This process seeks to ensure that subcontractors and partners share SS&L's ethos for the delivery of high-quality education and training programmes, as well as identifying any potential risks associated with organisation before committing to any formal agreement.

**The Scope of the Policy**

SS&L is committed to growing and diversifying the range of provision on offer in order to ensure that potential learners and employers have access to relevant and appropriate learning opportunities, in line with the company’s strategic objectives. It recognises that in order to ensure that the highest quality education and training is provided, it may be required to draw on the appropriate knowledge, skills and experience through a subcontracted arrangement. This will be done for one of two reasons:

* To grow SS&L's offer to meet a skills gap with an identified labour market.
* To share SS&L's expertise and increase its reach in its own areas of expertise.

SS&L recognises the value in working with partners through subcontracted provision in order to achieve its strategic objectives. It will also seek to meet the expectations of funders where subcontracting is a requirement of the contract. All subcontracting arrangements will be identified with the aim to:

* Identify appropriate partners to work with to meet learner and employer needs or as directed by a funder.
* Engage with learners from all walks of life and from all backgrounds with learning programmes relevant to their personal circumstances and local priorities.
* Maintain a balanced and wide-ranging curriculum offer that meets local priorities and labour market needs.
* Subcontract the delivery of learning programmes where partners are better placed/equipped to engage with a particular target audience.
* Subcontract the delivery of learning programmes where partners have the relevant knowledge, skills and expertise of a sector area/industry that SS&L does not currently hold.
* Respond rapidly to local, regional or national priorities and initiatives.

**The Policy**

Subcontractors will be contracted only in the bests interests of SS&L's customer base and only once a robust due diligence process of the subcontractor has been carried out. SS&L will only use subcontractors if it believes it has the appropriate knowledge, skills and experience within the organisation to procure, contract and manage these subcontractors effectively in line with this policy. SS&L will make every effort for its safeguarding and due diligence processes to prevent the inadvertent funding of extremist organisations or organisations that support extremist views.

SS&L will ensure that:

* 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 2024/25 and the subcontracting standards. 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.
* SS&L will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure the highest quality delivery is made available, demonstrating value for money and a positive impact on learner lives.
* The funding that is retained by SS&L will be related to the costs of the services provided by SS&L in managing subcontracted 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.
* Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the SS&L management team will engage their Non-Executive 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.

**Fees and charges 2024/25**

SS&L will retain a portion of all funding claimed against the provision delivered by a subcontractor. All retained funding will be directly associated with the tasks and resources pertaining to the effective management of subcontracted provision. The value of the retained funding under each contract will be negotiated and agreed with the subcontractor based on the contract management activity that will be carried out; with the intention of reaching a maximum retained value of 20% of the total funding associated with that contract. 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 SS&L.
* performance management activity relating to underperformance.
* (for Apprenticeships) account management activity.

The above activities will be listed in each contract and detailed to justify the retained funding total value. Where underperformance requires additional resource, the retained funding value may be increased to pass this expenditure onto the subcontractor. Additionally, where a subcontractor requires SS&L to carry out additional activities considered above and beyond the contract management expectations, a higher value may be negotiated at the start of the contract.

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. 

**Payment**

Following a successful application, a contract is awarded. The contract value will be spread across the contract year and will be paid on a monthly basis upon the successful submission and validation 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 are eligible under the ESFA’s eligibility requirements and 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 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 Policy 2024/25) on the SS&L website.