

TCP Sub-contracting Policy

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Document Authorisation

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Authorised by: Tony Basham

Document Control

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Authors	Dean Green
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Owner (Responsibility for Approval of Issued Versions)

Name	Role	Date	Issue
Tony Basham	Executive Director	26/07/2021	V1.1
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Change History

Issue	Date	Author/Editor	Details of Change
V1.2	26/07/2022	Dean Green	Review of policy inline with ESFA Funding rules 22/23

Other Policies linked or changes will impact on

Policy	Link or impact

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The Colleges' Partnership

Subcontracting Policy

Including Fees, Charges and Payments

2022/23

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Scope

This policy serves to cover The Colleges' Partnership (TCP) principles and practices in relation to any government funded subcontracted provision.

Overarching Principles

TCP to ensure it can comply with all its responsibilities as a publicly funded organisation, will use subcontractors where appropriate to optimise the impact and effectiveness of their services to the end user. TCP will therefore ensure that:

- All subcontracted activity complies with the principles of best practice in the skills sector.
- All subcontracted activity will comply with the current funding guidance to which it relates.
- TCP will always undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential and existing subcontractors to warrant full compliance with the Common Accord at all levels whilst ensuring the highest quality of learning delivery is made available, demonstrating value for money and positive impact on learners.
- Any funding retained by TCP for subcontracted activity will be related to the costs of the services TCP provides. These services and related charges will be clearly documented in the subcontract agreement which will be signed by all parties prior to the commencement of any activity. TCP will ensure that the rates 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.
- The policy is written in line with the Equality and Diversity Policy of TCP.

Rationale for Sub-contracting

TCP contracts with other parties to ensure local, regional, and national needs are best served. There are many reasons that TCP enters subcontracting arrangements as and when the market conditions dictate, but typically are for one or more of the following:

- To fully meet the skills needs of employers and individuals.
- To provide immediate provision whilst growing internal direct capacity.
- To provide access to, or engagement with, a new range of customers and employer bases, related to specific identified needs.

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- To support another provider to develop capacity/quality, where TCP feels it is appropriate.
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.
- To support employers with a wide geographic requirement.

The key principles of selecting a new sub-contracting partner are whether they:

- Fit with the strategic objectives of TCP and the rationale of this policy
- Add value to the work TCP does
- Complement but not compete with the existing product portfolio of TCP, and are aligned to key sectors that TCP or Government has prioritised
- Have a track record of high success rates
- Are willing to engage in a mutually supportive relationship
- Have reputation and standing in the sector/market
- Comply with EU sub-contracting regulations -Official Journal of the European Union(OJEU)

The rationale for sub-contracting is clearly detailed in the contract schedule of each subcontract along with the services provided by TCP, detailed costs of the services, and the impact each service has on the delivery of high-quality learning.

Quality Assurance (QA)

TCP recognises subcontracted activity as a limited, yet fundamental part of their overall provision, and as such, subcontracted activity will be monitored and managed through the existing QA processes and procedures.

The policy positions sub-contracted provision as an important part of TCP activity to enable continuous improvements in the quality of teaching and learning for both TCP and its subcontractors. This is achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process and partnership networking events. Observation of teaching and learning will form part of TCP/subcontractor quality monitoring visits.

Publication of information relating to sub-contracting

In compliance with Education Skills Funding Agency (and other agencies') funding rules that apply, TCP will publish its sub-contracting fees and charges policy. It will also publish actual end of year sub-contracting fees and charges on its website when end of year data is available (by end of November in the following academic year). This will only relate to 'provision subcontracting' i.e., subcontracted delivery of full programmes. It will not include the delivery of a service as part of the delivery of a programme (for example, delivering one element of an Apprenticeship Standard).

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TCP will ensure all actual and potential subcontractors have access and sight of this policy and any other relevant documents relating to any subcontracting arrangements. The documents will be made available on TCP website.

Communication

The policy will be reviewed and updated each academic year in line with current funding rules and published on TCP website.

Potential sub-contractors will be directed to the policy in the first instance prior to any further negotiations.

Fees and Charges 2021-22

A management fee of 20% will be applied to subcontracting in most instances however, it can be adjusted depending on the risk level and resources required to effectively manage individual subcontracts. The 20% figure has been calculated as a representative cost to TCP in effectively identifying, selecting, and managing sub-contracted provision as shown in the table below.

Services	Contribution to high quality delivery	% of management fee
Full due diligence on the subcontractor (including financial checks)	Enabling compliant, safe, and sustainable delivery for the programme duration	5
Support to write, implement and embed appropriate policies	Guidance to enhance the learner experience (e.g. student voice, safeguarding, e-learning)	0
Observations of teaching, learning and assessment	Practical feedback/actions to ensure high quality teaching and assessment delivery, content, sequencing and resources	15
Quality Assurance audit	Holistic review of delivery including Initial Assessment, IQA, course content, staff CPD, gateway preparation, self-assessment, and Quality Improvement Plan.	35
Progress monitoring visits	Ensuring that SMART targets are set with the employer and learner. Reporting of "at risk" learners. Appropriate	30

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	progress monitoring systems	
Partnership days	Dissemination of industry best practice in delivery including Ofsted, new technologies, rules, and regulations	1
Funding management and reporting	Ensuring appropriately planned and timely delivery commensurate with learner ability	2
Funding compliance support	Ensuring that the principles of high-quality training and current funding rules are embedded and evidenced in the programme	12

TCP will individually assess each subcontractor and their provision prior to any and each agreement with that subcontractor and an open rationale will be used to determine the level of management fee retained by TCP. Variations to the 20% fee are determined by identifying other factors that could have a material impact on risk or TCP resources required to effectively manage the subcontract. In deciding this, TCP will evaluate the subcontractor's complexities of provision, which will include but are not restricted to:

- Historical Data – Overall Timely Success Rates
- Financial Risk Rating – any provider with a higher than average credit rating will not be eligible for a contract with TCP
- Geographical Location of Teaching and Learning
- Sector Subject Area(s)
- Contract Length
- Type of Programmes
- Type of customers that are to be engaged
- Type of provision that is to be undertaken
- If it is a new subcontractor to TCP
- Any activities that TCP undertake on behalf of the subcontractor, i.e., verification, certification, employer engagement etc.
- The use of TCP facilities or resources to support the activity

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The fee structure detailed above is reasonable and proportionate to ensure the quality of the subcontracted training. TCP is a not for profit organisation and all delivery is priced on a cost recovery basis. The management fee services are set out as a percentage of the funding retained to show exact costs.

Specialist Training

Where TCP is delivering the majority of the programme and only subcontracting specialist training that is less than 40% of the total delivery, then a management fee will not be applied. In this instance a price will be negotiated with the subcontractor proportionate to the agreed elements of delivery and documented in the employer contract and subcontractor agreement.

TCP will determine that each cost claimed by a subcontractor is reasonable and proportionate to the delivery of their teaching or learning by conducting a market review of specialist training providers to ensure that the training agreed represents value for money. Furthermore, the delivery of specialist training will be observed and reviewed at contract meetings to measure impact on learner progress and acquisition of knowledge, skills, and behaviours, proportionate to the cost.

Disputes

Where disputes between partners cannot be resolved through mutually agreed internal resolution procedures, TCP will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of the partnership are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations, and actions undertaken to build, maintain and develop partnerships will be conducted in good faith in accordance with the Overarching Principles stated in this policy.

Payment Terms

TCP will pay subcontractors monthly in line with actual funding drawn down from the relevant funding agency and in line with the individual contract agreement and related schedules. TCP will advise on the amount due to the subcontractor and payment will be made within 30 days of invoice.

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