

# **SubContracting and Supply Chain Fees and Charges Policy**



## **Scope**

This Subcontracting and Supply Chain Fees and Charges Policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity from 01 August 2013. The content of this policy has been developed in line with the Education and Skills Funding Agency funding rules. It relates to activity funded through the Education and Skills Funding Agency where MidKent College enters into a subcontracting agreement with a supplier for recruitment and delivery.

The College endeavours to minimise the risk within the supply chain by ensuring that subcontractors working with the College offer high quality provision that is responsive to communities, students and employers.

## **MidKent College Strategic Priorities**

1. Community – We will contribute to the transformation of the communities of Medway, Maidstone and the surrounding areas through working collaboratively to raise aspirations.
2. Education - We will be the first choice locally for high-quality technical education and training delivered by industry practitioners.
3. Economy – We will contribute to the prosperity of the local economies of Medway, Maidstone and surrounding areas, and horizon-scan to ensure we operate in a way that is financially sustainable.

## **Rationale for Subcontracting**

MidKent College recognises the benefits that subcontracting activity can bring to support the delivery of its strategic priorities in the Medway, Maidstone and South East areas. In any subcontracting activity the College seeks to collaborate with local training providers who deliver excellent quality provision that:

- Enables the delivery of niche provision
- Extends accessibility of provision for students within the local communities
- Contributes to the economic prosperity and stability of the local communities
- Widens participation and extend opportunities to student groups that may not otherwise engage in Further Education
- Addresses a gap within the College curriculum offer
- Enables contracting with expert teaching and resources in a cost-effective manner.

For 2020/21, the College will prioritise working with adult students who wish to gain lower level qualifications that enable them to progress in areas that address local community needs.

## **Approval Process**

The College identifies its needs for subcontractors during the annual Business Planning process. There is also an annual review of sub-contracting that results in final Governing Body approval of planned activity for the succeeding academic year.

In response to opportunities, there may be an additional requirement for in-year subcontracting with new partners or contract increases with existing subcontractors and in this case, approval is dependent on the value of the new contract or increase to an existing one. The College sources suitable providers for the provision sought through a range of possible routes, including reviewing the capability of existing providers and those providers that request a sub-contract. All new subcontractor requests are subject to a full due diligence process.

The College recognises the Education and Skills Funding Agency requirement to ensure that the volume of subcontracting is significantly reduced across the sector. This requirement will be fully considered, and appropriate approval sought before any new subcontracting activity is established.

## **Due Diligence**

A comprehensive due diligence process for potential all new partners is undertaken that includes a review of the following evidence:

- Statutory accounts and company credit checks via Companies House
- Quality information, including Inspection Reports if available and historic achievement rates
- Evidence of Awarding Body status, including sanctions
- CVs for staff
- An overview of other subcontract values and prime contractors for each funding stream
- Declarations of conflicts of interest

This process ensures that the selection of subcontractors is in line with the Colleges Vision, Mission and Values.

The due diligence process is reviewed on an annual basis with subcontractors and is undertaken prior to commencing delivery on any new contract.

Any amendments to the subcontractor declarations will be reported to the relevant funding agency accordingly.

## **Fees and Payments**

MidKent College charges a management fee of between 15% and 20% which is payable against the funding earned.

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- Preparation of all subcontract documentation and processes (1%)

- A dedicated Quality Co-ordinator that is available to provide support and guidance and undertake monthly site visits (1%)
- Additional support required for compliance issues (1%)
- Additional support for quality improvement issues (1%)
- Help to complete the Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) that feeds into the wider College SAR and identifies areas of effective practice and areas for improvement (1%)

Services provided by the College:

- Course set-up in College system (1%)
- Up to 100% compliance checks (5%)
- 100% data entry on to college student record system (5%)
- Preparation of funding submissions (1%)
- Preparation of monthly financial reports (1%)
- Access to the whole College CPD programme that includes opportunities for subcontractor's staff to develop new course materials, improve teaching and learning practice and refresh knowledge of safeguarding, EDI, funding rules and audit compliance (1%)
- Training for the observation of Teaching, Learning and Assessment to enable partner's staff to undertake observations following MidKent College policies and procedures (1%)

### *Payment Terms - Adult Education Budget*

Payments are made on a monthly basis and are based on the funding values drawn down through the ILR returns. All student enrolment information received by the 15<sup>th</sup> of the month will be processed for the next return. Partners are informed of the amount to invoice by the 10<sup>th</sup> working day of each month. The College will meet all payments within receipt of a valid invoice, supported with evidence of delivery and achievement outcomes where appropriate.

### **Contract Management**

Contract arrangements are put in place for each subcontractor who has successfully passed due diligence to become a delivery partner. Contracts are fully compliant with the Education and Skills Funding Agency (ESFA) published sub-contracting rules. The College rigorously and regularly monitors compliance with the requirements of the contract.

MidKent College is responsible for ensuring that high quality provision is delivered by all of its subcontractors and has ultimate responsibility for the monitoring and maintenance of quality across the partnerships.

For local providers quality is monitored via termly visits per academic year to include teaching, learning and observations of all teaching staff. Each contractor is also subject to regular and in-depth quality audits and no notice lesson observations. Subcontractor meetings will be conducted three times per year to include training and policy updates. For national providers quality is monitored through regular monitoring meetings to review the quality of marked work and student existence checks.

The College monitors monthly retention and achievement rates and closely monitors live student lists in conjunction with each subcontractor. MidKent College also proactively supports subcontractors with improving quality of provision and sharing of good practice as well as realising emerging delivery opportunities.

The College rigorously monitors delivery against profile for each subcontractor to ensure that delivery targets are met. The College is responsible for all student data returns to its funding bodies and for student audit.

A schedule of reviews and audits will be developed for the length of the contract, which will also encompass student/employer feedback via telephone and electronic evaluation form on completion of their programme with the subcontractor. This will ensure the student has received quality delivery and support from the subcontractor.

Review meetings will identify:

- Progress of delivery and student progress
- Review of Organisational Policies and External Quality Assurance Reports
- Identification of any issues with Safeguarding, Prevent, Equality and Diversity or Health and Safety

Monitoring process of data will ensure:

- Accurate Individualised Learner Record returns
- Monitoring of targets against profiles and contract value

## **Responsibilities**

The Executive Director, Corporate Support will ensure the satisfactory completion of the due diligence process and that all subcontractors are aware of their contractual requirements throughout delivery. The Director of Quality will ensure compliance and offer support for the life of the contract. The relevant curriculum area will provide support for the SAR processes.

## **Audits**

Regular audits will be undertaken with every subcontractor throughout the lifetime of any contract. An unsatisfactory audit may result in additional procedures being put in place for both the subcontractor and the College, or termination of the contract. Non-compliant providers will undergo intensive monitoring until satisfactory progress is made. This could involve the following:

- All compliance paperwork to be sent to the College on start and completion until quality system re-assessed
- Completion of a development plan by the subcontractor to address issues arising in quality and compliance
- No further recruitment allowed until the subcontractor has taken actions to meet compliance
- Implementation of a programme of support for the subcontractor to aid with the delivery of the development plan
- Withdrawal of contract and recovery of funding

## **Subcontractor Performance Measures for 2020/21**

The performance of contracts will be measured on the following criteria:

### *Participation of Students*

- Minimum performance level: 95% Planned Student Recruitment
- Minimum performance level: 94% Student Retention
- Minimum performance level: 90% Student Attendance
- Minimum performance level: 100% of all students undertake an initial assessment as approved by MidKent College; students starting points must be recorded and measured throughout the programme.

### *On Programme*

- Full implementation of the Education Inspection Framework throughout the provision
- Monitoring and tracking of all elements of the students programme in accordance with MidKent College requirements
- Recording of Additional Learning Support arrangements
- Ensure that all registers are marked in accordance with MidKent College requirements (including punctuality)
- Recording and monitoring all enrichment and value added activities
- Undertake six weekly learning walks for every tutor and programme
- Embedding of PREVENT, Radicalisation and British Values must be included in all teaching

### *Outcomes for Students*

- Minimum performance level: 90% Student Achievement rate

### *Student Voice*

- A minimum score of 80% overall student satisfaction rate from returns received to be satisfactory or better

### *Observation of Teaching, Learning and Assessment*

- Assessment of teaching and learning performance is regarded as 'low risk'

### *Equality & Diversity*

- Achievement gaps for students should not exceed a 5% tolerance against any grouping

This will be based on the performance of the Provider and subject to College Performance and any changes in the Agency's requirements and audit.

## **Policy Review**

This policy is subject to annual review with the approved document published online at [www.midkent.ac.uk](http://www.midkent.ac.uk). The Policy is also provided to all subcontractors through our Partners SharePoint site.