



**POLICY FOR THE SUBCONTRACTING OF EDUCATION & SKILLS
FUNDING AGENCY PROVISION AND SERVICES**

January 2021 to January 2024



European Union
European
Social Fund

1. **PURPOSE**

This policy relates to Blackburn College's position in relation to the subcontracting of Education & Skills Funding Agency provision and/or services to partnership organisations.

The policy relates to the following strategic objectives:

Quality of Student Experience

- Through year-on-year growth in volume of apprenticeships and traineeships.

Staff Recruitment and Development

- Through ensuring opportunities for industrial currency and professional updating for staff.

Finance

- Sustainable growth via a high quality, engaging curriculum offer across all areas of the College that meets government and Local Enterprise Partnership (LEP) priorities.

2. **SCOPE**

2.1 This policy relates solely to the subcontracting of provision or services and the subsequent subcontracting requirements of the Education & Skills Funding Agency (hereafter referred to as the Agency).

2.2 This policy details how Blackburn College applies fees and charges to Agency Subcontractors.

2.3 This policy indicates the College's Subcontractor Policy for the current academic year.

2.4 This policy is published in line with Agency requirements stated in the current version of the Agency funding rules.

2.5 For the latest versions of the Agency rules please see:

[ESFA: funding rules, rates and formula - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

3. **OBJECTIVES**

3.1 Rationale

3.1.1 Blackburn College subcontracts provision in line with the Agency's current funding rules.

3.1.2 Indicative reasons for subcontracting provision to partners include:

- The delivery of niche provision;

- Widening participation e.g. the offer of provision in a geographical area in which demand exceeds supply;
- To contract expert teaching and resources in a cost-effective manner;
- To deliver provision which is not currently part of the College's existing teaching or materials resource;
- To deliver provision which engages hard-to-reach learners (e.g. Not in Employment, Education or Training - NEETs) with the ultimate aim of progression into mainstream College provision;
- Widen the range and scope of provision offered by the College in terms of engagement, retention and progression opportunities;
- Increase mutual referral opportunities between the College and its Subcontractor;
- Shared good practice;
- Capacity building both organisations, resources and provision to respond to identified need.

3.2 Quality

3.2.1 The College ensures Subcontractors are included in the College's quality process. Subcontractors are supported by the College to maintain the same high-quality standards expected across all aspects of Blackburn College.

3.2.2. Subcontractors are involved in monthly meetings with the College to performance manage quality and mitigate any risks or issues related to the delivery of the Subcontract.

3.2.3. The experience of the learner is paramount and the College and Subcontractor collaborate to ensure high quality provision is delivered and high levels of achievement are achieved and maintained.

3.2.4. Subcontractors will be subject to a programme of announced and unannounced audit visits during each funding year from the College to ensure adherence to the current Agency funding rules and continued high quality delivery of the contracted provision.

3.2.5. Subcontractors are provided with a Subcontractor Manual to support their delivery and updates to the manual are provided as required.

3.2.6. All Subcontractors receive a contract prior to delivery of any provision on behalf of the College.

3.2.7. Subcontractors are given a key contact at the College for any issues relating to the subcontract delivery.

3.2.8. Subcontractors are given key curriculum contacts at the College for any issues relating to curriculum aspects of the subcontract delivery.

3.2.9. New Subcontractors are subject to a Due Diligence process ahead of any contracting. New Subcontractors are supported through this process including, for example, registration with the UK Register of Learning Providers and, if necessary, the Agency's Bravo Portal and

the Quality Assurance Gateway Pre-Qualification Questionnaire (PQQ) and the Department for Education's Jaggaer Portal (register at: <https://education.app.jaggaer.com/web/login.html>)

3.2.10 Subcontractors receive on-going support in relation to:

- Performance Management and Review;
- Paperwork checks and compliance;
- Confirmation of learner eligibility;
- Input of data;
- Data submission via the College's Individual Learner Record (ILR);
- Learner tracking documents with learner status updates;
- Tracking documents with transparent calculations to detail both the funding claimed by the College and the Payment passed to the Subcontractor;
- Regular meetings;
- Audit compliance advice;
- Query resolutions;
- Shared good practice;
- A subcontractor manual and regular updates;
- Where necessary, Internal Verification (IV) and assessor support can be provided by the College;
- Where necessary, Health & Safety assessments.

3.3 Fees

3.3.1. The fee retained by the College is calculated as a percentage of the total contract value agreed with the Subcontractor.

3.3.2. The typical percentage is between 15% and 30% and is dependent on the level of additional support required by the Subcontractor over and above the management, administration and quality obligations of the College.

3.3.3. For experienced, long-term Subcontractors who do not require any additional support over and above the management, administration and quality obligations of the College, the fee retained by the College is 15%.

3.3.4. The management fee is calculated following a risk assessment of the Subcontractor and will include considerations such as:

- Historical records of the Subcontractor to meet recruitment, retention, achievement, success and funding targets;
- Records of the Subcontractor meeting or exceeding benchmark achievement and success targets;
- Quality of provision delivered by the Subcontractor;
- Existing length of relationship between College and Subcontractor;
- Financial health of the Subcontractor and its continued capacity to deliver provision on behalf of the College;
- Adequate resourcing of subcontracted provision;

- Size of the contract in terms of finance and volumes of learners;
 - Additional support required over and above the management, administration and quality obligations of the College.
- i. The management fee will be reviewed and is open to negotiation with each Subcontractor. The agreed value will be confirmed within the signed contract between both parties.

3.4 Payments

3.4.1. Payments to Subcontractors are calculated using the relevant Agency formulas. This is communicated to each partner via a tracking document to ensure transparency.

3.4.2. Payments to Subcontractors are subject to the management fee indicated in the contract.

3.4.3. Each payment to the Subcontractor is subject to an initial holdback of 20% of the payment value. This element will subsequently be passed on to the Subcontractor following satisfactory delivery of the subcontract arrangement as per the contract and the successful sign-off of the Individual Learner Record (ILR) for that academic year.

3.4.4. The payment profiles for each Subcontractor will be agreed within the contract between the parties. Payment may, for example take place monthly, quarterly or following completion of a cohort of students.

3.4.5. For any payments to be made to the Subcontractor, the Subcontractor must conform to the terms and references within the contract and provide the required paperwork, data and information for the College to make a successful claim via its Individual Learner Record (ILR) to the relevant funding agency.

3.5 Contract

3.5.1. All Subcontractors are required to agree and sign a contract between both parties prior to delivery of any provision.

3.5.2 In agreement with both parties, variations to the contract may be issued during the contract period. The variation may relate to, for example:

- Changes in the management fee dependent on the level of support required;
- Changes to the volumes of learners and funding;
- Changes to the range and scope of provision delivered by the Subcontractor.

3.5.3. The majority of variations to contracts will require further endorsement and approval from the relevant funding agency prior to confirmation of any change.

3.6 Dissemination

3.6.1. This policy is available via the College's website and will be referred to and referenced by weblink within each contract.

3.6.2. Potential subcontractors can access this policy via the College website or be referred to it as part of the Due Diligence process.

3.7 Disclaimer

3.7.1. The College reserves the right to amend its subcontracting arrangements at any time in accordance with the terms and conditions contained in its subcontract agreements.

3.8 Subcontractor Compliance

All subcontractors will be monitored for compliance against the same Agency rules as the College, including the requirements for ESF Match, Publicity and Document Retention.

Subcontractors must confirm that their policies apply to all ESF Match delivery including Apprenticeships and Classroom based learners. Any subcontracted delivery activity via Blackburn College is directly or indirectly part-financed by the European Social Fund – helping develop employment by promoting employability, business spirit and equal opportunities and investing in human resources. This is in line with the ESF Horizontal Themes.

4. STAKEHOLDER CONSULTATION

Existing Subcontracting organisations of the College will be consulted prior to review of the policy and we invite and encourage feedback from our partners in respect of the policy.

5. MONITORING AND REVIEWING

The policy will be reviewed every three years by the Vice Principal - Finance & Corporate Services, the Director of Business Development & External Engagement and the External Funding Manager. Changes and amendments to the policy will be subject to approval by the Policy and Procedures Committee.

6. RELATED POLICIES/ PROCEDURES

- Subcontractor Manual
- Financial Regulations
- Financial Procedures

7. MANAGEMENT RESPONSIBILITY

The Vice Principal - Finance & Corporate Services has management responsibility for this policy.

8. EQUALITY IMPACT ASSESSMENT

Blackburn College is committed to the promotion of equality, diversity and providing a supportive environment for all members of our community. Our commitment means that this policy has been reviewed to ensure that it does not discriminate (either intentionally or unintentionally) any of the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation and meets our obligations under the Equality Act 2010. Therefore, this policy has no adverse impact on any of the above protected groups.

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Date last approved:	16 January 2018
Date of review:	February 2021
Consulted with:	Policy and Procedure Group and Committee
Consultation date/s	11 February 2021
Date of approval:	24 February 2021
Approved by:	Chairs Action on behalf of the Policies and Procedures Committee
Next Review date:	January 2024