

# Subcontracting Policy 2023/24

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## 1. Policy Statement

LTE Group t/a The Manchester College (The Manchester College) is committed to improving lives and economic success through learning and skills.

Through subcontracting The Manchester College is able to widen participation, respond to emerging opportunities, and meet market demands. Partnership allows The Manchester College to engage the wider community, learners and employers who would otherwise not be involved in learning and skills.

In order to achieve this, The Manchester College has taken the strategic decision to subcontract elements of its activity and provision to partners who can support the delivery of our strategy. This will always be done in compliance with the latest Education and Skills Funding Agency (ESFA) guidelines, which at times will necessitate the updating of this policy.

## 2. Rationale for subcontracting provision

The Manchester College will only subcontract provision when it enhances the quality of our learner offer. We will only do so when subcontracting meets one or more of the following aims:

- Enhances and widens the opportunities available to learners
- Fills gaps in niche or expert provision or provides better access to training facilities than would otherwise be available
- Supports better geographical access for learners
- Supports an entry point for disadvantaged groups which would otherwise be unavailable
- Supports individuals who share protected characteristics where there might otherwise be gaps.

## 3. Scope

This Policy is published in line with the current Education and Skills Funding Agency requirements stated in the relevant funding rules 2022/23 and any subsequent changes identified by them. For further details see: [Subcontracting funding rules for ESFA funded post-16 funding \(excluding apprenticeships\) 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107112/subcontracting_funding_rules_for_esfa_funded_post-16_funding_excluding_apprenticeships_2022_to_2023.pdf)

## 4. Disclaimer.

The Manchester College reserves the right to amend its subcontracting arrangements at any time in accordance with the requirements of funding bodies.

## 5. Due Diligence

The Manchester College undertakes robust Due Diligence which includes a financial health assessment, safeguarding assessment, health and safety assessment, and an assessment of quality of provision. This is to mitigate the risk to The Manchester College and the contracts they may potentially let.

In keeping with current ESFA guidance The Manchester College will not subcontract with brand new companies who are yet to submit their first statutory accounts, unless we are able to thoroughly verify the new company's financial capability. We will not award or renew a subcontract to any organisation if:

- it has an above-average risk warning from a credit agency
- it has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed
- its statutory accounts are overdue.

Further investigations of any subcontractor will be undertaken if any of the following is identified via monitoring or any other means:

- Ofsted has awarded the provider a Grade 3 or 4
- Sanctions are placed on any subcontractor by the awarding organisation
- Non-delivery of training
- Failure to meet the performance criteria detailed within the contract.

Ongoing non-compliance would trigger the penalty clauses included in the contract which could ultimately mean termination of the contract.

## **6. Improving the Quality of Teaching and Learning**

In line with our quality improvement cycle, The Manchester College will support, develop and share good practice through; initial advice and guidance, quality reviews, compliance visits, compliance meetings, observations of teaching and learning, and learner and employer feedback.

## **7. Management Fees**

The Manchester College retains a management fee from all subcontracted partner organisations, typically this is 15%. The fees charged reflect the cost of the procurement process, the management of the contract, and support services provided to our supply-chain. Where less or additional support is required, our fees will be flexed to reflect costs.

## **8. Support for Sub-Contractors**

In return for the management fee charged by The Manchester College, subcontractors will receive a high level of support and guidance to ensure the delivery of high quality learning. This includes the following;

- advice and guidance at pre-contract stage
- observation of teaching, learning and assessment
- regular review and compliance meetings with progress reports
- support with funding rules compliance
- ongoing administration support, including in-depth checks of evidence submitted, and regular feedback on issues identified
- input of enrolment documentation submitted
- submissions of data to funding organisations
- regular financial reports to inform invoicing
- ongoing data checks and support to resolve data queries
- ongoing support to address any areas for improvement
- quality monitoring activities
- quality improvement support
- mandatory training delivered to subcontractor staff by The Manchester College

## **9. Reasons for Differences in Fees Charged**

Not all subcontractors are charged the same management fee, differences in fees are dependent upon the level of support required, which will be identified and agreed during contract negotiation meetings. Factors that will be taken into account in determining the level of support required, and in determining that each cost within the management fee is reasonable and proportionate, include the experience of the subcontractor, their target learners, their track record, published success rates, external quality indicators (e.g. Ofsted reports) and the level of risk determined by the due diligence process.

Once the level of support required has been identified and agreed each subcontractor will be provided with a detailed list of the specific costs for managing them, expressed as a proportion to be allocated against each relevant area listed under Paragraph 8 above.

## **10. Payment Arrangements**

Our standard payment term is 30 days from invoice date, subject to satisfactory validation checks. Subcontractors will only be paid for the actual funding delivered. Any under delivery will be subject to clawback.

## **11. Publishing Funding Data**

For ESFA and GMCA contracts, data regarding the actual level of funding paid and retained for each sub-contractor will be published within 30 days of the 2023/24 ILR closing. Publication requirements for other activity will be made in line with contractual terms.

## **12. Policy Review**

The policy will be reviewed on an annual basis, and/or when there are significant changes in the funding rules.

## **13. Policy Communication**

The policy is available online at [www.ltegroup.co.uk](http://www.ltegroup.co.uk) and on our business unit websites and is available in hard copy on request. The policy will be discussed and all points fully explored with all current and future subcontractors during contract negotiation meetings.