



Report: Sub-contracting Supply Chain Policy 2023/2024

To: Resources Committee

Date: 4 June, 2023

## **1. Executive Summary**

The report shows the updated Sub-contracting Supply Chain Policy for 2023/24. The College is keen to ensure administration fees for sub-contracted delivery is charged in a clear and transparent manner, in line with good practice and Education & Skills Funding Agency or Greater London Authority (ESFA/GLA) funding guidance.

The report comments on the actual sub-contracting fees retained for the prior financial year 2022/223 as required by the ESFA/GLA.

Changes are highlighted in yellow.

## **2. Risk Assessment**

Failure to maintain a clear Sub-contracting Supply Chain Policy for 2023/24 could result in the College not complying with ESFA/GLA funding guidance and as a result, the College may be subject to funding body sanctions.

## **3. Background**

This report summaries the College's updated Sub-contracting Supply Chain Policy for 2023/24. The changes are highlighted in yellow.

Key Changes:

- Update on admin fees retained for the prior financial year 2022-23
- Noting the new funding guidance for 2023/24
- Update on the sub-contractors for 2023-24

## **4. Recommendation**

The Resources Committee as asked to:

- comment and approve the Sub-contracting Supply Chain Policy for 2023/24

From: Bob Pattni – Deputy Principal Finance & Planning

<b>Sub-contracting Supply Chain Policy</b>	
<b>Valid from</b>	1 August 2023
<b>to</b>	31 July 2024
<b>Owner</b>	Deputy Principal – Finance & Planning
<b>Committee approval</b>	Resources Committee
<b>Approval date</b>	20.06.2023
<b>Board of governors' committee</b>	
<b>Board approval necessary</b>	Yes
<b>Date of Board approval</b>	11.07.2023
<b>Revision history</b>	Revised sections in yellow to include ESFA/ GLA sub-contracting requirements and update on 20% retention and update sub-contracting contact details for 2022/23.

## Contents

Scope.....	3
Context.....	4
Our commitment.....	4
Rationale for subcontracting .....	4
Quality assurance .....	5
Improving our subcontractors' quality of teaching and learning .....	5
Supporting our subcontractors.....	5
Setting funding retained and charges.....	6
Assessing risk .....	9
Payment terms .....	10
Sharing information with subcontractors .....	10
Publication of information relating to subcontracting .....	10
Communication.....	10
List of Subcontractors .....	11

Lead responsibility	Bob Pattni
Approved by	Resources Committee
Original date of production	04 June 2023
Policy applicable to	All subcontractors
Policy published at	<a href="http://www.stanmore.ac.uk">www.stanmore.ac.uk</a>

## Scope

This policy applies to all subcontracting activity supported with funds supplied by the Greater London Authority (GLA) and/or the Education and Skills Funding Agency (ESFA), or any successor organisations. Where a partnership or collaboration is formed, these arrangements should not be confused with subcontracting, and they do not fall within the scope of this policy.

## Context

This policy is in place to outline our reasons for subcontracting, the measures in place to monitor the quality of our subcontractors, and our retention of funds and charges. The content of this policy has been developed in line with the GLA and the ESFA Funding and Performance Management rules.

A copy of the GLA funding rules for 2023-24 can be found at <https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/adulteducation-budget/information-gla-aeb-providers>

A copy of the ESFA funding rules for 2023-24 can be found at <https://www.gov.uk/guidance/sfa-funding-rules>

## Our commitment

When working through a subcontractor, we commit to optimise the impact and effectiveness of service delivery to our learners by:

- aligning our processes with the GLA and ESFA requirements,
- undertaking fair and transparent procurement activities which demonstrate value for money, and conducting robust Due Diligence procedures to ensure we commission to the best providers in the field,
- maintaining and publishing a Funding Retention and Charges Policy that relates the Management Fee (i.e. the retained funding) to the costs of the services provided (a copy of the Sub-contracting Supply Chain Policy can be found at [www.stanmore.ac.uk](http://www.stanmore.ac.uk),
- clearly documenting and agreeing with all parties, the Funding Retained and Charges applied to each subcontract,
- submitting any disputes that cannot be resolved between subcontractors to independent outside arbitration or mediation and to abide by its findings.

## Rationale for subcontracting

Following an extensive review of the College's 16-18 and 19+ provision, the College has successfully commissioned organisations to deliver discreet provision that cannot be directly delivered by the College.

The decision to sub-contract GLA and ESFA provision is line with the College's Strategic Plan and Curriculum Strategy. Learners on sub-contracted programmes are supported

and are taught in accordance with good practice guidelines and those prescribed by awarding bodies.

Subcontracting enables the College to:

- engage with hard to reach learners via partnerships with appropriate organisations.
- provide a wide range of expertise to meet the skills and learning needs of adults and employers in the regions we serve.
- enable sub-contractors and community-based organisations to develop the capacity necessary to provide learning programmes to meet the needs of their clients.

## **Quality assurance**

The quality of subcontracted provision will be monitored and managed according to the guidance as set out in the College's Sub-contracting Policy which follows the GLA and ESFA Funding and Performance Management rules, and the Ofsted Inspection Framework. These documents will be supplied to all subcontractors at the start of the contract.

Subcontractors are required to give Stanmore College sufficient evidence to allow us to assess the subcontractors' performance against the requirements of the documents listed above, and the contract.

## **Improving our subcontractors' quality of teaching and learning**

Stanmore College ensures subcontractors are included within its quality processes. Subcontractors are supported by the Quality team to maintain the same high-quality standards expected across all aspects of the provision.

Stanmore College is committed to continuous improvement and this commitment covers all provision including subcontracted programmes. All subcontracted provision is included in our quality cycle which includes lesson observations, observations of information, advice and guidance, learner feedback, moderation of teaching, learning and assessment, quality assurance monitoring meetings and shared quality improvement plans. Stanmore College supports subcontractors throughout this process to ensure quality provision is being delivered to the high standards expected.

## **Supporting our subcontractors**

To ensure a high-quality standard of provision is maintained, Stanmore College works closely with and supports all providers that have been subcontracted for delivery.

All contract agreements outline the processes and procedures for our subcontracted provision, as well as the roles and responsibilities for both parties. Stanmore College provides ongoing support to subcontractors during their contracts. Details of the support provided and the costs for this are listed in the table below.

## Setting funding retained and charges

Our management fee will range between 15%-20% of all funding drawn down against the provision to be delivered. This amount represents the costs that we incur in identifying, selecting, managing and administering all subcontracted provision. It is based on the amount of quality assurance activity that would attach to the lowest possible risk subcontractor.

Further charges may be added to the standard fee to cover additional costs that we consider necessary. These costs are usually necessary to ensure the quality of teaching and learning based on our assessment of risk.

Examples of additional costs that may result from a medium or high-risk rating are:

- additional site visits,
- additional lesson observations,
- additional support for delivery staff,
- more rigorous verification,
- examination costs,
- supply of premises,
- capital equipment

Occasionally, additional costs may result from additional administration or compliance or from the provision of bespoke services by Stanmore College to the subcontractor (for example provision of resources, internal verification, awarding body fees, student support costs).

## Retained fees and charges for the last financial year (2022/2023)

During 2022/23 the College applied the policy as shown and utilised the following ESFA and GLA funding for fees and charges as below:

Support area	Support provided	Overall ESFA funding retained costs	Overall GLA funding retained costs
<b>Quality Assurance</b> Stanmore College ensures a high standard of the quality of provision through a robust management and monitoring process	<ul style="list-style-type: none"> <li>• regular quality and contract meetings</li> <li>• monitoring visits</li> <li>• in partnership with the subcontractor, observations of teaching, learning and assessment and the sharing of effective practice</li> <li>• review of initial assessment processes to ensure they are robust and fit for purpose</li> <li>• RARPA checking, including the review of Individual</li> </ul>	<b>£1,322.74</b>	<b>£24,566.66</b>

	Learning Plans (ILPs) and learner progress		
	<input type="checkbox"/> monitoring of learner voice including tracking learner survey and attending forums <input type="checkbox"/> compliance eligibility and checking <input type="checkbox"/> performance management <input type="checkbox"/> checking and review of forms and other documents associated with the confirmation and eligibility to study and enrolment of learners <input type="checkbox"/> checking of registers and attendance <input type="checkbox"/> monitoring of retention and achievement		
<b>Administration, MIS and Finance</b> Stanmore College provides data analysis and tracking support to ensure providers are on track to meet their contract, and are paid appropriately	<input type="checkbox"/> audit of the ILR returns to ensure that they are accurate and complete and providing assistance on funding and eligibility queries <input type="checkbox"/> ILR submission and error tracking / corrections support producing regular monitoring reports to share with the subcontractor data support contract administration production of earnings statements and invoice payment	£440.91	£8,188.89

<p><b>Leadership and Management</b>  Stanmore College ensures the provision meets the strategic objectives of the service</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> provider induction</li> <li><input type="checkbox"/> collaboration of the self-assessment process and the production of a thorough self-assessment report and quality improvement plan</li> <li><input type="checkbox"/> monitoring delivery to ensure that it meets the terms of the contract</li> <li><input type="checkbox"/> identifying and collaborating on training opportunities</li> <li><input type="checkbox"/> provision of a provider handbook and policies, checking</li> <li><input type="checkbox"/> safeguarding awareness</li> <li><input type="checkbox"/> advisory panel meetings</li> <li>communication of key strategic information, sector and funding updates</li> </ul>	<p><b>£440.91</b></p>	<p><b>£8188.89</b></p>
---	--	-----------------------	------------------------



Subcontractors are required to:

- ensure learners receive high quality, impactful learning and that high levels of achievement are sustained
- always have suitably qualified staff available to provide the education and training from Stanmore College funds
- provide access to staff and classes as part of monitoring visits
- attend monitoring and contract meetings
- ensure learners are informed of the subcontract relationship with Stanmore College
- ensure a safe and inclusive learning environment for all learners
- make available on request all forms and other documents, including enrolment forms, associated with the eligibility to study and enrolment of learners
- make available on request all initial assessment documents and ILPs
- make available on request all registers and achievement records
- work with Stanmore College on the production of a thorough self-assessment report
- provide complete and error-free ILR data according to the schedule (see below)
- co-operate with Stanmore College to make sure there is a continuity of learning if the subcontract ends for any reason
- tell us if evidence of any irregular financial or delivery activity arises. Irregular activity could include, but is not limited to: non-delivery of training when funds have been paid, sanctions imposed on the delivery subcontractor by an awarding organisation, an inadequate Ofsted grade, complaints or allegations by learners, people working for the delivery subcontractor or other relevant parties, and allegations of fraud

### Assessing risk

We use the following standard factors to assess the risk rating of each subcontractor:

- previous experience in the area of delivery evidence of quality of delivery e.g. achievement rates, Ofsted reports
- type of provision to be undertaken
- contract duration
- new subcontractor to Stanmore College
- feedback from referees about working relationships
- CVs of staff to be involved in the delivery
- quality of physical resources.

Each category will be assessed as HIGH, MEDIUM or LOW. Where any category has a score other than LOW then an additional charge will be calculated.

In the event of the subcontractor being unable to complete their contract, Stanmore College will endeavour to ensure minimum disruption to students whilst alternative arrangements are secured in line with the contingency plans that relate to the contract.

### **Payment terms**

All subcontractor payments will be calculated as a percentage of the funding as stipulated in the Sub-Contracting Partnership Contract. Claims will only be valid when contractors have fulfilled the terms of their contract and dependant on adequate provision of supporting evidence.

To ensure payment can be made in the correct period, error-free data. Data that is submitted after late, or submitted with error, is likely to miss the payment for that month.

### **Sharing information with subcontractors**

We commit to ensuring that all potential subcontractors have sight of this policy and any other relevant documents as part of the Due Diligence process.

We share with our subcontractors what they need to do in order to reduce their Risk Rating.

### **Publication of information relating to subcontracting**

In compliance with the GLA and the ESFA (and other Agency) rules that apply, we publish this Funding Retained and Charges Policy on our website:

[www.stanmore.ac.uk](http://www.stanmore.ac.uk)

We intend to publish actual end of year subcontracting funding retained and charges, as required by the GLA and the ESFA at:

[www.stanmore.ac.uk](http://www.stanmore.ac.uk)

This relates only to "provision subcontracting" i.e. subcontracted delivery of full programmes or frameworks; it does not include the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework or outreach support). Provision subcontracting lists will be agreed with local GLA and ESFA officials prior to publication.

### **Communication**

This policy is reviewed each year and updated as required. It will be published on our website. Potential subcontractors will be directed to it at the starting point in any relationship.

**List of Subcontractors used in the year:**

2022-2023

- Salon Hijab Ltd UKPRN 10047816
  - Start date 01/08/22 End date 31/07/23
  - Retention value: Max. 20% of funding value
  - Funding claimed from the GLA **£108,705**
  - Retention value: Max. 20% of funding value **£21,741**
  - Funding paid to the sub-contractor **£86,280**
  - Additional Hire of facilities **£5,250**
- 
- Rasha Abdelbaqi (T/a Blossom Beauty Academy) UKPRN 10066419 Reg'd as Blossom Beauty Academy Ltd
  - Start date 01/08/22 End date 31/07/23
  - Funding claimed from the GLA **£107,040**
  - Retention value: Max. 20% of funding value **£21,408**
  - Funding paid to the sub-contractor **£85,632**
  - Additional Hire of facilities **£0**

**List of Subcontractors**

2023-2024

- Salon Hijab Ltd UKPRN 10047816
  - Start date 01/08/23 End date 31/07/24
  - Funding claimed from the GLA **£99,000 (planned)**
  - Retention value: Max. 20% of funding value **£19,800 (planned)**
  - Funding paid to the sub-contractor **£79,200 (planned)**
  - Additional Hire of facilities **£5,250**
- 
- Rasha Abdelbaqi (T/a Blossom Beauty Academy) UKPRN 10066419 Reg'd as Blossom Beauty Academy Ltd
  - Start date 01/08/23 End date 31/07/24
  - Funding claimed from the GLA **£99,000 (planned)**
  - Retention value: Max. 20% of funding value **£19,800 (planned)**
  - Funding paid to the sub-contractor **£79,200 (planned)**
  - Additional Hire of facilities **£0**

