



**Sub-Contracting & Supply Chain Fees  
Policy  
2019/2020**

## **1. Sub- Contracting Policy**

This policy statement, which is renewed annually, details how The City of Liverpool College applies funding to all supply chain activity supported with funds from the Education and Skills Funding Agency and devolved AEB funding from the Liverpool City Region Combined Authority.

## **2. Overview of Sub-contracting Strategy**

The College Strategic Goals are;

- World class skills in business – establishing ourselves as “the college for business”, with an impact beyond academia which yields clear economic and social benefits.
- Delivering an outstanding learning and student experience – enthusiastic and engaging teachers who treat students as individuals with high standards and high aspirations.
- Developing talent for sustainable employment – developing the workforce of the future and contributing to economic growth

Our work with subcontractors underpins this mission. The College works with a range of providers who offer:

- Training linked to employer demand throughout Liverpool City Region.
- Opportunity to develop the college offer in new markets.
- Access to new cohorts of learners.
- Opportunity to increase College’s reach including those who are unable/unwilling to attend College campuses.
- Access to key target learner groups throughout Liverpool City Region.
- Progression into employment or education, particularly onto College programmes.

Through strategic subcontracting, the college aims to contribute towards the success of the following college KPIs;

- Income and Volume
- Quality

## **3. Subcontracting priorities for 2019/20**

The College will be seeking to work with:

- Partners who can support and underpin the colleges vision for a Transport and Logistics Academy.
- Partners who can deliver a wide of range training to underpin LCR objectives.
- Partners who can provide strategic opportunities to develop 16-18 study programmes.
- Partners who can fulfil the above priorities but require access to an adult budget to realise targets.
- Partners who deliver high quality employability provision.
- Partners who deliver high quality HE provision.
- Partners who provide added value to college business relationships

#### **4. Assessing subcontracting opportunities**

- All partners will need to go through due diligence and/ or pre contracting before being issued with a contract.
- All partners must have a credit rating of 3 or above and submit at least three years audited accounts. For organisations trading less than this, we will require to see accounts and/or financial plan and business contingency plan
- All partners must be on ROTO if require a contract of £100k or over or have ROTO and matrix within one year of working with the college.
- All partners delivering apprenticeships who have a cumulative contract over £100k must be on RoATP as a main or supporting provider.
- The College will follow OJEU tendering rules for contracts over £615,278
- Partners will be assessed on a contracting matrix against priorities outlined in 1 and 2 for contracts under £615,278.

#### **5. Partner Provision and Supply Chain Fees and Charges Policy**

The City of Liverpool College works with a number of partners on a subcontracted basis to deliver high quality training and education against a number of key priorities. The College's main aim is to increase the impact on local communities through extended reach and investing in local community partners.

The College works with providers when:

- A partner provides a niche service, emerging market or works with a specific learner target group. We work closely with partner links to access new sectors.
- A partner can support the College where we have capacity issues. We are able to widen our curriculum offer; offering new areas of curriculum which the College does not offer.
- A partner supports our strategic agenda e.g. meeting the needs of Liverpool City Region skills priorities and demands from employer and communities.
- Partners have the ability to engage with specific target groups; working with learners with disabilities, disadvantaged postcodes and students with multiple disadvantage.

Subcontracts will be offered on ESFA/devolved budget programmes across both Adults (19+) and Young People (16-18) and HE. The City of Liverpool College has robust partnership management processes in place that have been subject to external and internal audit.

Through the supply chain, the City of Liverpool College is able to develop understanding and knowledge of different sectors and communities; learning through shared good practice.

#### **6. Fees and Payments**

The College will retain an agreed amount of funding generated from subcontracted provision based on the level of risk, support and administration requirements associated with each partner as follows:-

- 15% of funding generated for experienced partners with a good track record of quality delivery to students and contract performance.
- A further 5% of funding generated will be retained for new partners for the first contract year to reflect the increased risk and provision of additional support for quality of teaching and learning and contract management. This may be extended beyond the first year subject to the outcome of the college's annual contract review.

- 5% of funding generated will be retained to meet specific data and OFS requirements for HE partners

The College retains an element of funding to meet provider obligations in respect of; the ILR, compliance and audit, quality and curriculum assurance and training.

The portion of the fee retained for each of these activities is as follows:

- 10 % ILR Compliance and Audit
- 15% Exam Processes
- 60 % Quality and Curriculum Assurance including Safeguarding
- 15% Management & Administration

The college is committed to high quality teaching and learning and the proportion of the fees retained by the college reflect this and are reasonable and reflect the college's own costs to deliver the services provided.

#### Payment Arrangements

- Payments will be made monthly or as agreed with partner and will be reviewed quarterly
- Following the validation of evidence in the ILR return the College will make the appropriate payment to the subcontractor based on the level of income calculated less the agreed management fee and any adjustments for reconciliation. Specific payment profiles will be attached to each contract
- Payment terms are 30 days from invoice date.

### 7. College Support for Partners

The exact mix and level of support for each subcontractor will be assessed initially as part of the due diligence process prior to contracting and thereafter on an annual basis. The level of support will vary depending on the identified needs with new providers receiving additional monitoring and quality assurance checks at an early stage to identify any specific support requirements.

The College will review the retained amount for Partners annually against a range of metrics including performance, quality and compliance with funding and data requirements. The outcome of the review will be communicated and discussed with partners at the end of the academic year. This may result in a reduction or increase of the retained fee on this basis.

For new partners, in the initial contract stages monthly reviews will be conducted by the Head of Apprenticeships and Partner provision to identify any day to day operation and administration issues.

Alongside working with the college's own quality assurance processes new providers will be subject to additional quality checks and support from the college's Quality and Innovation Team. Other areas of college support include input and guidance on the following to ensure that provider obligations are met including:

- Support with due diligence
- Establishing and maintaining quality management systems
- Certification and registration with awarding bodies if required
- Management information services and data control advice.
- Audit of management systems
- Support & audit of learner paperwork.
- Curriculum, OTL and Quality support.

- Partner development
- Partner training sessions.

## **8. Teaching and Learning**

The City of Liverpool College is committed to improving the quality of teaching and learning within our supply chain and along with the partnership quarterly review meeting, the additional quality checks include:

- Initial Quality and Curriculum Visit - Before a contract is given, a quality and curriculum representative will visit a partner provider and complete the initial quality assessment report.
- Partner Training Events on developing and embedding good consistent practice e.g. safeguarding, reviews, PREVENT.
- Termly curriculum visit - A curriculum representative will visit the partner provider each term prior to the partner review and completes the curriculum visit report. Any actions will be highlighted in the quarterly partner review meetings. If the partner is classed as high risk, a member of the quality team will also attend until the risk is addressed.
- Termly unannounced visit - A quality/curriculum representative will undertake an unannounced visit for those partners delivering to 16-18 learners.
- Self-Assessment - Support with the completion of the annual SAR cycle.

## **9. Communication of Policy**

The City of Liverpool College will share in writing the college's sub-contracting policy, discuss fees, details of the paperwork processes and partnership procedures for the academic year with all potential partners at the start of 2019/20.

Head of Apprenticeships and Partnership Provision manages the business and day-to-day relationship with subcontractors.

## **10. Policy Review**

This policy will be reviewed in July 2020 and a revised policy issued in 2020/21 if appropriate.

## **11. Publication of Policy**

This policy is published on The City of Liverpool College's Website and issued to all partner organisations.

## **12. Subcontracting Contingency Plan 2019 / 2020**

In the event that the College needs to withdraw from a subcontract arrangement, a sub-contractor withdraws from the arrangement or a subcontractor goes into liquidation or administration, the College will take steps to ensure that provision is made to preserve the continuity of the provision and learners involved are able to complete their qualifications. The contingency plan below outlines how we will seek to continue the provision.

	<b>Contingency</b>	<b>Responsible</b>
1	Deliver the provision through the college	Head of Apprenticeship & Partner Provision and Head of School
2	Deliver the provision through an existing subcontracting arrangement	Head of Apprenticeship and Partner Provision
3	Deliver the provision through a new subcontracting arrangement	Head of Apprenticeship and Partner Provision
4	Transferring to another provider.	Head of Apprenticeship and Partner Provision

Paragraph 5.11 within the College sub-contract makes reference to this contingency plan and the Colleges rights and responsibilities.

This plan links into the Colleges Disaster Recovery Plan and Risk Management Plan.