**Subcontracting Procedure**

**Purpose**

The purpose of the subcontracting procedure is to outline all the activities carried out prior to the commencement of a subcontracting contract and the responsible persons. It describes all steps including selection and procurement, the due diligence process, financial checks, quality assurance and on-going monitoring.

**Scope**

This procedure is limited to ‘provision subcontracting’ which means the delivery of full or part programmes or apprenticeships, that is to say a separate legal entity that has an agreement with the College to deliver any element of the education and training the ESFA funds; it does not include subcontracting the delivery of a service as part of the delivery of a programme (for example, buying the delivery of a service as part of an apprenticeship or outreach support).

**Rationale for Subcontracting**

In line with the ESFA directive seeking providers review their existing subcontracting activity and reduce this across the next 3 years to 2022-2023 the College has set targets to decrease subcontracted delivery, with this or alternative provision brought in house from 2020-2021.

The College subcontracts provision to meet the strategic priorities outlined in the Corporate Plan. In particular, the College aims to ensure high quality teaching and learning as a result of the subcontractors’ extensive and focused experience in specialist areas. Subcontracting ensures cost effectiveness of programme delivery on occasions when it may be desirable for the College to run certain programmes but it is not viable for the College to build in-house resources and expertise.

Subcontracting contributes towards the sustainability of the College’s provision overall, and it helps the College to respond flexibly to changing market demands and emergent opportunities. Subcontracting helps to further penetrate the geographical area in which the TCG operates, offering an entry point for disadvantaged groups and those who share protected characteristics, as well as widening the range or progression opportunities for learners, by providing expert provision. It also provides good development opportunities for both the College and its subcontractors to share good practice and new ways of working.

The decision to subcontract with a partner will be made reflecting on assessment of capacity, capability and quality.

**Selection and Procurement**

In line with ESFA requirements the College shall ensure that subcontractors are selected fairly and have sufficient capacity, capability, quality and financial standing to deliver the provision. The decision to select a subcontractor is based on assessment of their capacity, capability and quality. Where a subcontract value is £100,000 or greater, confirmation that they are listed on the Register of Training Organisations.

**Conflict of Interest**

As required by ESFA funding rules, our due diligence process includes consideration of potential subcontractors for any conflicts of interest and how to manage such potential conflicts should they arise.

Potential subcontractors are asked to declare any conflict of interest or that they have no foreseen conflicts during the application as part of due diligence procedures carried out by the College. A Companies House search on the directors is undertaken by the College to identify involvement in companies that pose a conflict.

The College’s Financial Regulations sets out the guiding principle that the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest, and confirms that employees are prohibited from being a signatory to a College contract where he or she also has an interest in the activities of the other party.

Should a potential conflict of interest arise the College will:

* Write to ESFA through our provider-management lead about any circumstances (for example, where the College and our proposed subcontractor have common directors or ownership) which might lead to an actual or perceived conflict of interest
* Not issue the contract without ESFA written permission, and
* Will keep as evidence both our request to and reply from ESFA

**Tendering**

So that Trafford College can demonstrate fairness in subcontractor selection, where there is more than one bidder for a contract, the College will use a formal tendering process which will include the following elements:

* A shortlist of potential providers drawn up based on pre-defined criteria;
* The requirement to complete scoring and assessment outcomes at tender assessment and interview / presentation stages

**Due Diligence**

The College uses the Eversheds Sutherland model Due Diligence Questionnaire. The MIS Compliance Officer coordinates due diligence process with each subcontracting partner and compiles the following check lists to ensure all required aspects are covered:

* Partner Contract Checklist (appendix 1)
* Pre-Contract Checks Quality Approval Form (appendix 2)
* Pre-Contract Checks Finance Approval Form (appendix 3)
* College Contracting Checks (appendix 4)

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

**Financial Checks**

Checks are carried out to ensure credit risk is not an above average warning, the subcontractor is not in risk of liquidation or administration and statutory accounts have been published on time, before a contract is awarded.

Subcontractor financial accounts and credit reports (Experian reports) are sent to Associate Director of Finance to check thoroughly and undertake credit checks. The Associate Director of Finance returns the signed declaration to show that the accounts are satisfactory and approves the College to work with the subcontractor.

Should a credit check supply an above average warning, the matter is escalated to the Director of Finance & Strategy to review the subcontract and mitigating risks and reported to the College Board in making a final decision to award the subcontract.

**Subcontracting Contract**

Once due diligence and pre-contract financial checks are completed to the satisfaction of the Vice Principal Curriculum and Quality, Director of Finance and Strategy, the Associate Director of Finance ensures legally-binding signed contracts (signed by both parties) are in place prior to start of delivery / start of contract. This is to minimise risk: that the subcontractor would not act in accordance of the terms of the contract; that the College would not be able to exercise control over the subcontractor; funding agency requirements are not met.

The Associate Director of Finance follows up contracts that are not signed in a timely manner to reinforce that delivery cannot commence until signed by both partner and College.

Our subcontracting contract is reviewed at least annually to ensure it continues to include all required ESFA terms in accordance with published Funding Rules. From 20-21 the College is using Eversheds Sutherland’s model contract as our subcontracting contract and we have signed up to their ‘FE Subcontracting Toolkit’ scheme which includes annual updates to their model subcontracting contract.

**Paperwork and Processes Training**

All learner enrolment forms and associated paperwork will be those of the College and so training on the correct completion of these will be provided to relevant subcontractor staff by the MIS Compliance Officer. The College’s MIS department will thoroughly check all enrolment and associated paperwork promptly on receipt from subcontractor and feedback to the partner on any issues and confirm re-training requirements.

**ESF Match**

Subcontractors contracted to deliver provision that ESFA define as in scope for ESF Match (for 20-21 academic year confirmed as Adult Education Budget; Apprenticeships commenced prior to 1st May 2017) will be required to comply with ESFA match funding rules including use of ESF logo and ensure that all learners are aware of the support of the European Social Funding in respect of the provision being delivered.

**Quality Assurance**

The College ensures that subcontractors are included in the College’s quality cycle and are guided and supported by the College to follow this process. The College provides support as necessary to subcontractors in completing the Self-Assessment Review (SAR) and the Quality Improvement Plan (QiP). Subcontractors then discuss the completed SAR and QiP with the College’s Vice Principal Curriculum. Any actions arising are addressed in co-operation between the College and the subcontractor.

Subcontractors will be actively managed and monitored by the College to ensure that high-quality delivery is taking place that meets ESFA funding rules. Similarly, when TCG acts as a subcontractor, we ourselves adhere to this policy and to the policies of those we subcontract for.

A regular and substantial programme of quality-assurance checks on the education and training provided by delivery subcontractors will be undertaken. This will include visits at short notice and face-to-face interviews with staff and learners. This will:

* Include whether the learners exist and are eligible for funding
* Involve direct observation of initial guidance, assessment, and delivery of learning programmes

The aim of the monitoring activities is to obtain assurance that delivery is consistent with College expectations, is high-quality, is supported by the subcontractors’ records and meeting agency funding rules.

This list is not exhaustive as subcontractor needs may vary. Variations between subcontractors may take into account previous experience, delivery history, timely and overall achievement rates, risk assessments and additional support requirements.

* Regular meetings are held to discuss a range of issues which would include contract planning, audit feedback, performance monitoring reports etc.
* Regular monitoring visits with detailed feedback identify good practice and areas for improvement.
* Site visits to subcontracting partners delivering relevant provision will include a check to identity ESF poster is correctly in place
* Monitoring of equality and diversity, health and safety, safeguarding and prevent ensure these are embedded into delivery.
* On-going administration support including in-depth checks of evidence submitted and regular feedback on issues identified
* On-going data checks and support to resolve data queries
* On-going support to address any areas for improvement
* Standard process in place for the ongoing quality checks with each subcontracting partner throughout the academic year.
* Standard minimum core assurance checks and monitoring activated to be undertaken for each subcontractor. Programme of performance monitoring and quality assurance; action plans in place to monitor progress of areas of improvement identified.

**Governance**

It is important that governors are aware of the reasons for subcontracting provision including how it contributes to meeting our strategic aims and enhances the quality of our learning offer, and ensure this provision is monitored and controlled appropriately as it presents a greater risk than college based provision both reputational and financial. Regular position papers are prepared for Governors and discussed during relevant Committee and Board meetings.

In addition, each year an annual report from an external auditor is obtained to provide assurance on the arrangements to manage and control relationships with subcontractors and compliance with guidance issued by the ESFA.

Appendix 1

**Partner Contract Checklist 2020-21**

**Partner Name: ……………………………………………………………………………..**

|  |  |  |
| --- | --- | --- |
| **General Information** | | **In File** |
| 1. General Company Outline/ Description | |  |
| 1. Organisational Structure | |  |
| 1. Details of any other Partners and agreement Value (if applicable) | |  |
| 1. Statement to show Partner has the Capacity & Capability to deliver proposed Contract Value | |  |
| **Financial Checks** | |  |
| 1. Latest Audited Accounts | |  |
| 1. Insurance Certificates | |  |
| **Quality Checks** | |  |
| 1. Health & Safety Policy | |  |
| 1. Equal Opportunities Policy | |  |
| 1. Complaints Policy | |  |
| 1. Safeguarding & Prevent Policy | |  |
| 1. Data Protection Policy | |  |
| 1. Sustainability Policy | |  |
| 1. Detailed Process for Reviewing Policies | |  |
| 1. Latest Ofsted Report or Self-Assessment Report | |  |
| 1. Lesson observation policy or forms | |  |
| 1. Quality Standards Held? (Matrix) | |  |
| 1. Centre Approval for Qualifications (if applicable) | |  |
| 1. List of Delivery Staff (Names, DBS Number) | |  |
| 1. Delivery Staff CPD Logs (Including Safeguarding Training etc.) | |  |
| Staff Signature |  | |
| Name |  | |
| Date |  | |

Appendix 2

**SUBCONTRACTOR DUE DILIGENCE**

**PRE-CONTRACT CHECKS**

**QUALITY**

|  |  |
| --- | --- |
| **TO:** |  |
| **DATE:** |  |
| **SUBCONTRACTOR**  **NAME & ADDRESS** |  |

Please find enclosed copies of documents listed below. Please check and insert any comments below.

|  |  |
| --- | --- |
| **Inspection Reports or SAR or**  **Improvement Plan** | **Comments:** |
| **EV Reports** | **Comments:** |
| **Assessor CV’s & Relevant Qualifications** | **Comments:** |
| **Any Other Documents (Please State)** | **Comments:** |

I confirm I have checked the above documentation:

Signed: ................................................................................................................................ Date: .........................................

Print Name: ................................................................................................................................

Job Title: ................................................................................................................................

Appendix 3

**SUBCONTRACTOR DUE DILIGENCE**

**PRE-CONTRACT CHECKS**

**FINANCE**

|  |  |
| --- | --- |
| **TO:** |  |
| **DATE:** |  |
| **SUBCONTRACTOR**  **NAME & ADDRESS** |  |

Please find enclosed copies of the audited financial accounts for the above named provider and where these are unavailable latest management accounts including forecast information for the next financial year is enclosed.

Please check and insert any comments below.

|  |
| --- |
| **Comments:** |

I have checked the above named documents and **do** give my approval

for Trafford College to work with this provider.

I have checked the above named documents and **do not** give my

approval for Trafford College to work with this provider.

**Comments for Non-Approval:**

Signed: ................................................................................................................................ Date: .........................................

Print Name: ................................................................................................................................

Job Title: ................................................................................................................................

Appendix 4

Sub-Contractor/Partner Contract Checklist 20-21

**Trafford College Checklist**

**Partner Name**: …………………………………………………………………………………………….

Pre-Contract List completed YES / NO Date …………………………..

Internal Finance Checks Completed YES / NO Date …………………………..

Internal Quality Checks Completed YES / NO Date …………………………..

Companies House Checks Completed YES / NO Date …………………………..

Register of Training Organisations Checks Completed YES / NO Date …………………………..

Course set up forms completed YES / NO Date …………………………..

Purchase Order Completed YES / NO Date …………………………..

Paperwork and processes training given YES / NO Date …………………………..

First enrolment claim Date: ………………………………………………………………………………

Signature:- ……………………………………………………………………………………………………

Name:- ……………………………………………………………………………………………………….

Date:- …………………………………………………………………………………………………………