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**Subcontracting Management Policy 2024-25**

**Current Year: August 2024 - July 2025**

**Version: 1.1**

**Date: November 2024**

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| --- | --- |
| Policy Lead/ Author + Job Title: | Jennie Willock – CEO |
| Company Lead (if different to above) | N/A |
| Priority Level:  Red - within 1 year; Amber – within 2 years; green - within 3 years | Red |
| Review Date: | **November 2024** |
| Whom applicable to: | Subcontractors |

**Approval of policy (including revisions if required)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name | Position | Signature (if required) | Policy Version No. | Date |
| Jennie Willock | Chief Executive | N/A | V1.0 | 21/02/2024 |
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**Policy: Revision History and distribution**

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| --- | --- | --- | --- |
| Policy Version No. | Date – revision/ distribution | Summary: Revisions and distribution | Updated by – initials |
| 1.0 | 21/02/2024 | Existing fees and charges policy revised to subcontractor management policy | PM |
| 1.1 | 18/11/2024 | Checks for changes from AEB to ASF and new funding rules that may have affected the policy. Also removed previous brand names. | PM |
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# Context

# Policy Aim and Objectives

The Subcontracting Fees and Charges Policy is a requirement of the Department. This policy sets out the rationale for working within sub-contractor arrangements and the approach taken by Futures to determine the fees and charges expected within such work. This applies to its funded provision through the Department.

Futures is committed to contributing towards the provision of high-quality teaching and learning. The Department requires that this policy contributes towards improving the quality of sub-contractor teaching and learning as well as the fees charged for this, and the services provided in return for such fees.

The percentage range of fees retained by Futures as a management fee as detailed in this policy are typical figures based on a ‘base cost’. These are subject to the addition of a ‘general’ risk factor and where appropriate a ‘specific’ risk factor. Fees and charges are to be changed in accordance with funding bodies/government policy.

This policy is directly influenced by the guidance issued by the Department. Both Futures and their sub-contractors refer to the Departments Funding Rules documents and any future updates in all matters regarding the delivery of the contract.

# Definitions

Sub-contractors – refers to all other providers delivering education or training on behalf of Futures.

Learner – anyone undertaking a learning programme that is delivered by a partner through a sub-contract with Futures.

The Parties – Futures and the sub-contractor.

Department - means the Secretary of State for Education acting through the Department for Education and / or Education and Skills Funding Agency (ESFA) as appropriate.

# Responsibilities

All sub-contractors are required to agree and sign a sub-contracting contract for the provision of services with Futures. Within this contract, all roles and responsibilities are clearly defined and contact points identified.

# Sub-Contracting Strategy

Futures aims to maintain a range of partnerships which allows it to access learners that it would not be able to reach under normal circumstances, for instance through geography, course aim or channel. Futures sub-contracting strategy is revised on an annual basis. Futures will engage with organisations primarily to meet the following objectives:

* To be in line with Government priority targets in learner groups and outcomes
* To increase the curriculum, offer of Futures, movement into new market sectors, movement into new delivery methods.
* Aim to engage hard to reach learners who do not follow typical routes into education.
* To build local and national strategic educational relationships
* Meet the local requirements of the Local Skills Improvement Plans and local employment needs.

Sub-contracting organisations will share Futures aspirations through having mutual goals and outcomes that benefit the development of learners, employers, sub-contractors, and Futures.

# Support for Sub-Contractors and Quality Assurance

Futures will undertake a thorough due diligence assessment of the sub-contractor prior to contracting and shall share the results with the sub-contractor to inform opportunities for development in line with the Departments Subcontracting funding rules.

During the terms of the contract, as an **agreed minimum standard**, Futures will provide the following services to the sub-contractor in relation to the sub-contracted provision:

* Access to existing Futures expertise, as appropriate
* Guidance on the application of funding methodologies that relate to the sub-contracted provision.
* Guidance on the development and application of an appropriate and robust audit trail
* A performance monitoring service that includes the regular sampling, reporting and analysis of:
  + Individual standards of delivery and assessment in teaching and learning
  + Learner and, where appropriate, employer voice
  + Standards of learner work
  + Standards of resourcing to include staffing.
  + Learner attendance and progression levels
  + Learner retention, achievement, and success levels
  + Internal and External Moderation/standardisation strategies
* Compliance management service for the collation, verification, and processing of evidence in relation to the correct claim of funding
* Training and mentoring for all relevant staff in completion of compliant paperwork and processes.
* Weekly and monthly meetings with Futures regarding performance management - quality and compliance focused to mitigate any risks related to the sub-contracted provision. Sub-contractors will be subject to the same KPIs as implemented internally, relating to retention, achievement, positive progressions and teaching, learning and assessment, to ensure consistency and fairness of approach, in accordance with the Contract Management Framework.
* Training for sub-contractors around enrolment paperwork and access to all forms needed.

Services that are available to the sub-contractor that are **additional to the agreed minimum level of service** may include but are not limited to:

* Provision of a Futures centre approval facility to include learner registration and certification.
* Provision of Internal Quality Assurance services by Futures staff

# Commitment to improving the quality of teaching and learning.

Futures is committed to continuously improving its own quality of teaching and learning and extends this support to its sub-contract providers including through sharing of teaching and learning strategies, areas with identification for improvement, and resource support for delivery observations and recommendations.

Futures requires high standards of teaching and learning quality from its delivery partners but also recognises that some partners benefit from support in this area and therefore provides this within its services offer.

**Fees and Charges**

The fee charged by Futures shall be agreed in the contract which shall be against the funding claimed by Futures in relation to the sub-contracted delivery. Futures shall make payment to the subcontractor within 30 days of receiving a valid claim for payment.

The fee will be set using the following:

* To include the option for Futures to increase or decrease the standard management fee (agreed minimum standard) in proportion to the nature, content, risk and distribution of the sub-contracted delivery.
* To enable Futures to increase the standard management fee in relation to the failure of the sub-contractor to hit agreed standards and targets.
* To include the option for Futures to provide additional nonspecific services that are deemed necessary to support the continuous improvement of standards in the sub-contracted provision that are over and above the agreed minimum level of services.
* To enable the sub-contractor to purchase additional services from Futures that are so required by the sub-contractor and outside the agreed minimum services.

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| --- | --- | --- | --- |
| **Provision of services by Futures** | **Standard Fee as a proportion of funding earned** | **Possible range of fee as a proportion of funding earned** | **Direct Charge for specific service** |
| Agreed minimum standard | 20% | 15%-30% | n/a |
| Additional nonspecific services | n/a | 15%-30% | n/a |
| Additional specific services | n/a | n/a | Charged in accordance with cost of specific  service |

**Contingency Planning**

The following provides some clarity regarding the actions which Futures will take if any of the following situations occur:

* The sub-contractor does not meet the standards and commitments agreed within the contract.
* The sub-contractor goes into liquidation or financial mismanagement is found to have occurred.
* Futures decide to withdraw and terminate the contract due to a major breach of the contract.
* The sub-contractor withdraws and terminates the contract.

In the event of any of the above situations, the following actions show the steps which may be taken by Futures. This list is not exhaustive and will depend on circumstantial situations.

* The sub-contractor’s contract will be terminated, and procedures detailed within the contract will be followed.
* Where breaches have occurred, the Department will be appropriately informed along with any other relevant funder and appropriate professional body
* Futures will work collaboratively with the sub-contractor to ensure a continuity of delivery for learners enrolled on to sub-contracted provision. Futures will utilise their own delivery team to provide the teaching and learning aspects of the programme and where this is not possible use the associate model and bank to provide this service.
  + Futures will use their quality assurance processes and accreditation status with awarding bodies to quality assure and certificate learners.
  + Where Futures are unable to fulfil the above, they will seek an alternative provider to act as a replacement sub-contractor.

You can access our current Subcontracting Management Policy on our group website. Please go to <https://www.futuresadvice.org/> and search for policies.

**Appendix 1: Performance Management Framework**

**Communication**

**Profile/Forecasting Review**

* Frequency: Fortnightly
* Attendees
  + Contract Managers (both sides)
  + Admin and Compliance Lead
* Agenda to include:
  + Performance against starts, in learning and achievers, progressions
  + Compliance issues
  + Expected financial output
  + Risks
  + Areas of concern
  + Safeguarding

**Performance Review Meeting**

* Frequency: Monthly
* Attendees
  + Contract Managers (both sides)
  + Quality/Teaching and Learning Lead
  + Engagement Lead
  + Admin and Compliance Lead
* Agenda to include:
  + KPI Performance and progress of contract
  + Learner and Employer Feedback
  + Progress of learners
  + Awarding Body updates
  + Safeguarding/Health and Safety updates/issues or concerns from all programmes (learners/employers)
  + Any recent alerts or activity that could affect staff/learners/sites
  + Recent training, staff mandatory training or updates

**Self-Assessment and QIP Review**

* Frequency: Quarterly
* Attendees
  + Contract Managers (both sides)
  + Quality/Teaching and Learning Lead
  + Engagement Lead
* Agenda to include:
  + Progress against areas for improvements
  + New/emerging strengths
  + Progress against QIP and % progress on track
  + New areas of risk or concern and mitigating actions

**Compliance Audit (in addition to monthly checks)**

* Frequency: Six monthly
* Attendees
  + Contract Managers (both sides)
  + Admin and Compliance Lead
* Agenda to include but not limited to:
  + Full audit of department/contractor work
  + Registration details
  + ILR errors
  + Clearing of outstanding errors and reconciliation
  + Off the job hours

**Reporting**

In order to allow for accurate compliance measures to be in place the following table outlines the dates and information required for Adult Education contracts:

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| --- | --- | --- |
| Area | Cut off | Requirement |
| Start Paperwork | 24th of the month | Part A  Part B  Individual Learning Plan  Health and Safety paperwork  Initial assessments  Prior Learning Record  Skills Scans  Evidence of starting learning |
| Achievement Paperwork | 24th of the month | Updated Individual Learning Plan  Evidence of progression  IQA record  EPA evidence  Certificate |
| Monthly On Programme evidence | 24th of the month | Evidence of learning  Portfolio reports |
| Extract of PFR | 10th of the month | Extract of the PFR to be sent to the contractor for validation and to support invoice |
| Payment | By 15th of the month | Invoice  Remittance |