

Subcontract Management & Fee Policy

Document History			
Version	Issue Date	Owner	Revision Notes
1.2	02.01.2020	Wendy Shepherd	Full Review
1.3	28.09.2020	Wendy Shepherd	Full review

This document is issued and controlled by the Operations Director and can only be modified after proposed modifications have been accepted by the Company Directors.

The latest version will be maintained on the company Intranet.

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Scope

All provision Subcontracted to a third party and delivered on behalf of Key Training Limited

Purpose

The aim of the policy is to provide accurate, transparent and comprehensive information to external agencies on the fee policy that Key Training Limited will adopt when subcontracting its provision. This policy is published in line with the Education Skills Funding Agency requirements as stated in the funding rules 2020/2021

Key Training Limited is committed to achieving outstanding teaching, learning and assessment, and this is demonstrated within this policy by ensuring all potential partners are able to achieve the desired expectations.

Commitment

Key Training Limited subcontracts to other delivery partners with the intention of:

- widening participation to allow a greater number of learners access to provision to meet their individual needs.
- introducing new curriculum to our portfolio where demand exists, and Key Training Limited is not best placed to deliver
- providing high quality progression route ways for existing learners
- making a positive contribution to addressing the unemployed skills gap and NEET agenda
- providing good development opportunities for both Key Training Limited and o u r delivery partners, share good practice and new ways of working

This policy will be reviewed annually and made available on the company website. Key Training Limited will publish at the actual fees charged on the website within 30 days of the ILR closure at the year end.

Policy Statement

Key Training Limited intends to/works with a small number of delivery partners and assumes on understanding of shared values that puts the learner at the centre of the provision. As part of our partnership working Key Training Limited operate the following approach in determining the appropriate management fee for each individual partner.

Key Training Limited subcontractor partnerships are formed to benefit all parties to provide enhanced opportunities for young people to access a wider provision of learning subjects with bespoke facilities in areas of popularity and high demand. The partnerships work in collaboration to enhance learner content on combined topics and provide stretch and challenge in areas requiring additional provisions for learning opportunities to support the amplification of the identified topical areas such as health, fitness and wellbeing. The partnerships may directly or indirectly support the learning of those on programme through shared resources, modified content, shared staff training and development days on topics of mutual interest and enhancement such as safeguarding, functional skills, health and fitness, curriculum and external audit support.

To ensure we encompass all we commit to within our subcontracting provision we do not exclude providers based on a geographical location allowing us to maximise our offering to support a wider range of students. Therefore, to ensure any distance subcontracting arrangements are appropriately managed, we aim to conduct regular bi-monthly monitoring visits covering compliance and quality of teaching and learning across the programme delivery. Visits are a combination of desktop, onsite,

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planned and unplanned inspections conducted to ensure Ofsted and ESFA rules are demonstrated and adhered to. Key Training Limited review subcontracting arrangements and rationale yearly (or earlier, if required) in light of any changes, to ensure it is valid and current in line with our own policy and external governing regulators and that allocation of provision remains within 25% of the overall allocation of funds.

- All providers are subject to a comprehensive due diligence process prior to a contract being awarded. This risk-based approach takes into consideration a variety of aspects including previous track record, financial standing, learner numbers, success rates, Ofsted grade, type of provision and ability to deliver high quality provision.
- The percentage management fee ranges from 15% to 20% and is dependent on risk rating of the provider following the due diligence process and available historical performance. Factors that influence the management fee charged include, but are not limited to:
 - The type of provision
 - Historical quality performance
 - Previous contract delivery
 - Site of provision
 - Experience of the provider

All of the above impact on the amount of support and development needed and the frequency of visits. Any new subcontract partners will be informed of their initial risk rating.

- Management fees will be deducted at source and Key Training Limited will make monthly payments to providers based on the current submission of data and supporting evidence to validate learning delivery. All funding claims must comply with the current Education Skills Funding Agency Funding Rules and the terms of the agreement between Key Training Limited and the delivery partner. Where funding claims cannot be substantiated, Key Training Limited will adjust or reclaim any funds from the sub-contractor, and where required make an appropriate repayment to the Education Skills Funding Agency.

Subcontractor Support and Capacity Building

Key Training Limited has a responsibility to support delivery partners to develop and deliver high quality provision that meets the needs of learners and exceeds the expectation of employers where applicable. The management fee deducted from allocated funds is used directly to provide a comprehensive programme of support and compliance measures to ensure that public funds are protected and used effectively, and partners are supported to develop their provision and extend their business.

The exact mix of support will vary dependent on the needs to individual delivery partner, but all organisations can expect to benefit from the following;

- Designated contract manager
- Matrix accredited advice and guidance
- Contract review and performance monitoring support
- Curriculum development support
- Funding, MIS, audit and submission of data return
- Preparation for External Inspection
- Quality Assurance and Enhancement Support
- Safeguarding training and support
- Access to Key Training Limited staff development activities
- Self-Assessment & Quality Improvement Support
- Teaching and Learning Observations

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Payment Terms

Key Training Limited makes payment to sub-contractors following successful data upload via the ILR return to the Education Skills Funding Agency. Payment is subject to the correct evidence and data being provided to Key Training Limited by the agreed monthly deadline. Key Training Limited will notify partners of any required changes to these deadlines. Key Training Limited reserves the right to withhold 20% of due payments to the delivery partners as internal and external audit and review of targets. Monies will be released on validation of targets being met at period 14. The audit holdback will be payable following internal and/or external audit at the point of completion of the contract. Full details of payment arrangements for each delivery partner are included in each individual contract. Any amendments will be based on guidance by the current version of the ESFA Funding Rules.

Supporting documentation and further reading

- ESFA Adult Education Budget (AEB) - Funding and management rules (2019-2020)
- ESFA Apprenticeship funding and performance management rules (2019 - 2020)
- ESFA Funding guidance for young people (2019 – 2020)
- ESFA Funding guidance for young people – Subcontracting controls (2019 – 2020)
- ESFA Subcontracting controls guide for (2019 - 2020)
- LSIS Supply Chain Management – Good practice guide for post 16 skills sector (2013)
- AoC/AELP Common Accord.

Operations Director: **Wendy Shepherd**

Signed:



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