

# 16-19 STUDY PROGRAMME SUBCONTRACTING POLICY

Effective from:	Sep-24
Approved by:	Sysco/ BFM's board of directors
Reviewed:	Annually by July/August of each year

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## **1. Introduction and purpose**

- 1.1 Brighter Futures Merseyside Limited (BFM) undertakes subcontracting agreements as part of its Study Programme offer for a proportion of the education provision funded by the ESFA, where a subcontracting partnership arrangement will add value to the quality of its delivery.
- 1.2 BFM operates its Study Programme subcontracting arrangements, in-line with the Education and Skills Funding Agency (ESFA) [Funding Guidance for Young People Funding Regulations](#) and associated [Subcontracting Funding Rules for ESFA Funded Post-16 Funding](#), with delivery partners.
- 1.3 The purpose of this policy is to provide accurate and comprehensive information to external agencies and potential subcontractors on how BFM procures its subcontracted services.
- 1.4 This document also aims to provide consistency of approach and transparency to BFM's supply-chain fees and charges in relation to its provision; and specifically relating to Subcontracted delivery, which is delivered by a third party organisation/provider whom is ultimately directly funded by the ESFA via a contractual Service Level Agreement (SLA) for the delivery of a proportion of the provision, and for which payments are dependent on learner numbers and/or formula funding values.
- 1.5 In partnership with subcontractors, BFM will operate in the spirit of support and transparency and will also endeavour to learn from subcontractors, recognise and share their good practice where appropriate.
- 1.6 BFM will not enter any subcontracting agreement to meet short-term funding objectives.

## **2. Scope and context**

- 2.1 This policy applies to all ESFA subcontracted provision which BFM subcontracts.
- 2.2 The Subcontracting Policy is a mandatory requirement for subcontracting activity. BFM operates its subcontracting arrangements in-line with the ESFA [Funding Guidance for Young People Funding Regulations](#) and associated [Subcontracting Funding Rules for ESFA Funded Post-16 Funding \(excluding Apprenticeships\)](#).

## **3. Rationale – Subcontracting Statement**

- 3.1 BFM recognises the need to offer as diverse a range of provision as possible, in as flexible and cost effective a way as possible. By working in partnership BFM is able to:
  - Engage with the wider community, increasing wider participation and enhance the opportunities available to young people
  - Offer niche and expert provision, and provide better access to training facilities.
  - Support better geographical access for learners.
  - Offer an entry point for disadvantaged groups.
  - Consider the impact on individuals who share protected characteristics.
  - Be responsive to learner and sectoral requirements.
  - Ensure greater cost efficiency.
- 3.2 The rationale for our related subcontracting position has been signed off by the Board prior to publication and reviewed annually.

## **4. Due diligence**

- 4.1 BFM will always undertake fair and transparent procurement activities.
- 4.2 BFM will undertake a robust, comprehensive due diligence process when selecting potential subcontractors to ensure the highest quality of learning delivery is made available, which demonstrates value for money and has a positive impact on the experience of both employers and

learners. A Pre-Qualifying Questionnaire (PQQ) will be carried out on the said subcontractor. This risk-based approach takes into consideration a series of factors that are utilised to produce a risk-rating framework, via a red, amber, and green (RAG) system for each factor. Although this list is by no means exhaustive, the factors below are used to develop and improve our evaluation of risk:

- Duration and value of the contract
- Financial health
- Health and Safety / Equal Opportunities
- Previous track record / Student Retention / QAR
- Ofsted grade
- Capacity to deliver
- Supplier staff turnover
- Ability to deliver high-quality provision and ability to meet Student needs

Once these factors (and others) have been identified via pre-contract due diligence, the RAG system will be agreed.

**4.3** In line with ESFA guidance, BFM will only procure the services of subcontractors who satisfy the rules and Due Diligence checks as identified in the ESFA Subcontracting Rules for ESFA funded Post-16 funding (excluding Apprenticeships.)

**4.4** At least annually, BFM’s partnership manager will verify PQQ’s as part of the annual quality monitoring visit and on an ongoing basis. The visit will consist of several monitoring and verification tasks, these include:

- PQQ analysis and systems check
- Performance management review
- Safeguarding audit
- Staff observations
- Student and staff interviews
- Student paperwork, portfolio and quality audits

**4.5** Should any information on the PQQ change, the subcontractor is required to inform BFM immediately. BFM will conduct further due diligence checks if it has the potential to impact on its ability to deliver subcontracted services. These include but not limited to:

- Merger with another provider
- Change of ownership
- Change of key personnel (e.g., managers, directors)
- Any issues that may raise concern about the subcontractor’s ability to deliver the programme (e.g., infrequent updates, poor student progress/engagement, student, or parent complaints). These will also trigger an immediate review meeting.

**4.6** BFM will upload a Subcontracting Due Diligence form for each subcontractor they are in partnership with to the ESFA as per their funding rules.

## **5. Contracting arrangements**

**5.1** BFM has a standard legally binding Service Level Agreement (SLA) for Study Programme subcontracting and this is adapted as needed when issued to successful subcontractors.

**5.2** Agreements are signed with successful subcontractors after approval has taken place, and before the subcontracting arrangement commences. The requirements of this policy form part of that SLA.

**5.3** Each SLA will be signed by BFM and the subcontractor. Terms and conditions will be agreed and included within the contract.

**5.4** The SLA will cover each funding contract year and a new SLA will be issued annually. This will include

any updates where needed.

- 5.5** BFM is required to obtain an external auditor’s report where the total ESFA funding contract for delivering education and Training with delivery subcontractors exceed £100,000 in any one financial year, as set out in the ESFA Subcontracting funding rules for ESFA funded post-16 funding (excluding apprenticeships) document.
- 5.6** BFM is required to declare its use of delivery subcontractors to the ESFA.

## **6. Quality assurance and performance management meetings**

- 6.1** BFM are committed to continual improvement in teaching and learning, both in its own direct provision and in its subcontracted provision. A range of approaches are employed to do this, such as robust evaluation provision, Self-Assessment Reports (SAR) and Quality Improvement Plans (QIP).
- 6.2** It is BFM’s responsibility to work with, robustly manage and monitor the subcontractor to review progress and manage the quality of external provision, ensuring that high quality delivery is taking place.
- 6.3** As part of the Quality Assurance process, the subcontractor is contractually required to share the following paperwork prior to partnership arrangements with BFM:
- A Curriculum Plan and QIP – these are required annually.
  - Copies of any Ofsted reports.
  - The Subcontractor must supply BFM with a copy of the intended delivery strategy and procedures.
- 6.4** The Subcontractor must also:
- Designate an appropriate manager to liaise with BFM in relation to programme management, quality, and administration.
  - Ensure that the training provided is of suitable quality and will undertake BFM assessment activities to assure the system and procedures.
  - Ensure competent and appropriately qualified and experienced staff delivering training.
  - Ensure observations are completed on the learner journey, with a large focus on teaching, learning and assessment.
  - Provide a safe, healthy, and supportive environment which meets the needs of students.
  - Provide individual support for students.
  - Provide Disclosure and Barring Service (DBS) checks of any delivery staff, including CV’s and certificates. Where there has been staff change these documents should be sent to BFM to be reviewed.
  - Inform BFM of any change to its name or ownership or any other information changes in relation to the PQQ.
- 6.5** The following processes will be used to monitor the quality of subcontracted provision and actively improve quality on an on-going basis:
- A robust schedule of Quality Assurance meetings and Quality Improvement support sessions that are carried out throughout the contractual relationship.

The Quality Assurance meetings support subcontractors to implement and maintain high quality teaching, learning and assessment. Its focus is to ensure students have a positive learning experience, allowing individuals to make individualised progress to achieve their career goals. These will be held over each funding year in negotiation with the subcontractor. In addition, there can be up to three unannounced/short notice meetings, over the year. To facilitate the efficiency and accuracy of these meetings, subcontractors will be asked to provide the required information at least two weeks prior to any scheduled meetings. Specific details will be communicated accordingly.

Quality assurance procedures are taken from the Further Education and Skills Inspection Framework and Handbook respectively Education Inspection Framework (EIF) – GOV.UK ([www.gov.uk](http://www.gov.uk)) Further

Education and Skills Inspection Handbook – GOV.UK ([www.gov.uk](http://www.gov.uk)).

- Regular performance management review meetings between BFM and all its subcontractors (with a minimum of one management meeting per term).

Performance management review meetings ensure data and statutory compliance is upheld to ensure accuracy and transparency of ILR data, whilst monitoring quality assurance relating to the delivery programme(s) as well as covering operational issues. The performance management meetings are scheduled towards the beginning of each funding year. BFM will take a risk management approach to subcontractor management to ensure that appropriate levels of contract monitoring are maintained, therefore additional visits as required may be discussed where appropriate. To enable performance management meetings to be conducted effectively and efficiently, the subcontractor will be asked to provide the required information at least two weeks prior to any scheduled meetings. Specific details will be communicated accordingly.

- Other ad-hoc meetings, video calls, visits, and discussions for any general issues as they arise but these form part of our relationship management and support of subcontractors.

- 6.6** BFM will also carry out thorough and robust observations of teaching, learning and assessment across all tutors delivering within sub-contracted provision. Common strengths and weaknesses will be identified, and action plan agreed with individual tutors to continuously improve the learner experience and ensure the quality is consistent and commensurate with BFM’s internal delivery.
- 6.7** Where performance management review meetings or quality assurance meetings highlight areas of concern, an action plan will be drawn up and agreed by both BFM and the subcontractor, to address the areas of concern. Additional meetings will be scheduled as required by BFM until the issues have been resolved.
- 6.8** All subcontractors must agree to this schedule of meetings prior to being awarded contracts.
- 6.9** BFM will consider feedback provided by students as part of its quality assurance process.
- 6.10** These mechanisms are designed to ensure the quality of delivery, that students exist and that they are eligible for funding under ESFA funding guidance for young people funding regulations.

## **7. Internal policies**

**7.1** Subcontractors are required to have robust internal policies to ensure compliance with legislative undertakings and good practice and make certain that policies are regularly updated and effectively implemented. As a minimum the subcontractor will be expected to have a policy or policies covering the following topics approved at an appropriate level in the organisation. Copies of which can be made available to BFM at any time, upon request:

- Employment law & appeals
- Data protection (GDPR compliant)
- Health & Safety
- Equal Opportunity/Equality & Diversity
- Safeguarding & Prevent
- Insurance:
  - Employers Liability Insurance (compulsory) = £10,000,000 any one occurrence / number of occurrences.
  - Public Liability Insurance = £5,000,000 any one occurrence/number of occurrences.

## **8. Supply chain fees and charges**

- 8.1** The funding detail for each subcontractor is located within their SLA.
- 8.2** The Subcontractor will receive funding in relation to their vocational and career development Study Programme delivery, which will be paid as per the payment process. The balance is retained by Brighter Futures for maths and English delivery (as appropriate), First Aid, Honour Award delivery

and support and support services.

**8.3** The individualised costs are listed below, they include but are not limited to:

- **Management:**
  - Administration
  - Processing and storage of all student paperwork and information at its Head Office for audit/funding compliance
  - Monthly financial reports to inform invoicing
  - Provision of a dedicated Account Manager.
  - Ongoing Data Self-Assessment Tool (DSAT) and Funding Rules monitoring checks on all subcontract delivery
  - MIS functions relating to the submission of funding claims to the ESFA
- **Quality:**
  - Provision of management meetings to ensure quality of delivery services
  - Monthly meetings with the dedicated Account Manager
  - Monitoring of student progress via the Account Manager
  - Quality assurance via observations of teaching and learning in delivery and related IQA
  - Audits/ curriculum reviews
  - Due diligence support, guidance and checking
- **Other:**
  - Provision of professional advice regarding ESFA funding matters
  - Management of the BFM delivery of maths and English provision
  - Management and support for the BFM delivery of First Aid and Honour Award EEP delivery

**8.4** BFM will endeavour to ensure the fee arrangements are fair and equitable based on these parameters. All breakdown of individualised costs is broken down within each subcontractors SLA.

## **9. Payments and incentives**

**9.1** Payment terms and timings are set out within each subcontractor SLA.

**9.2** The Subcontractor must ensure that the information supplied to BFM to process on the Individualised Learner Record (ILR) is accurate and reflect their delivery information, so that data returns to the ESFA are correct and payments will be accurate.

**9.3** A Subcontractor Claims and Reports schedule will be issued annually to all subcontractors with key dates and deadlines for paperwork to be received for inclusion in the return to the ESFA, as well as invoice and payment dates.

**9.4** Payments will be made monthly by BACS. Payments will not be made in advance and will only be made subject to all necessary paperwork and records having been submitted within the required time scales and under the terms of the SLA.

**9.5** Any other payments the subcontractor is eligible for will be paid within 30 days of BFM receiving these funds.

**9.6** BFM will provide the subcontractor with the value for their eligible funding claim each month to allow the subcontractor to review, once retention has been reviewed and in line with the Funding Claim less the predetermined fee.

## **10. Contingency planning**

- 10.1** In terms of contingency, performance management and support measures ensure processes are in place, in case of subcontract failure, a high level of due diligence is maintained over subcontractors, to endeavour to identify early signs of organisational failure.
- 10.2** The management of subcontractor performance is based on level of approval and risk status. BFM will monitor, review, and evaluate to inform corrective, preventative and improvement actions and manage risk through contingency planning. If underperformance is identified, it will be addressed through measured and targeted action plans backed by support and development.
- 10.3** Contingency plans outlining the process to be taken in the event of a breakdown in contracting relationships would include guidance on the continuity of learning, communication to students and employers, and TUPE guidelines for staff.
- 10.4** Please see our Programme Contingency Plan:  
<https://www.brighterfutures.uk.com/uploads/ProgrammeContingencyPlan.pdf>

## **11. Declaration of use of subcontractors**

- 11.1** In line with ESFA funding rules, BFM will submit a subcontractor declaration to the ESFA at least twice each funding year summarising the value of any subcontracted provision within that year and based on the values located within each SLA.
- 11.2** BFM will also publish actual funding paid and retained for each subcontractor in funding years on their website. This is to provide consistency of approach and transparency to BFM's supply-chain fees and charges in relation to its provision subcontracting.

## **12. Duties within BFM**

- 12.1** BFM are responsible for the actions of its subcontractors, as well as the quality of Study Programme delivery and on-programme assessment undertaken.
- 12.2** If the subcontractor fails to deliver, BFM is responsible for making alternative arrangements for the delivery of education and training, protecting the audit trail, and / or repaying the ESFA.
- 12.3** Nominated members of staff with responsibility of subcontracting (details located within each SLA):
- Subcontracting Lead and Performance Management – Subcontractor Account Manager
  - Procurement of Subcontractors – Subcontractor Account Manager and Quality Team
  - Safeguarding and Prevent – Safeguarding and Prevent Officer
  - Financials and Claims – Claims Manager
  - Policy Approval – Sysco/BFM Board

## **13. Policy review, communication and sign-off**

- 13.1** BFM will review this policy annually.
- 13.2** BFM discusses policies and procedures with current and potential subcontractors at the start of the academic year and throughout, inclusive of due diligence and pre-contract meetings. Any changes to the policy will be communicated to existing subcontractors at the meetings with their account manager.
- 13.3** This policy is also available on BFM's website.
- 13.4** This policy is signed off by Sysco/BFM's board of directors annually.