

## Supply Chain Subcontracting & Payment Policy – 2024/25

### Review

Formal Review Cycle	Annual		
Latest Formal Review (date)	July 2024	Next Formal Review Due (date)	July 2025
Policy Owner	Vice Principal Partnerships and Commercial		
Policy Author	Head of External Funding and Contracts		

### Approvals

Board of Corp Y/N	Y	Committee		Date Board approved	
SLT Y/N	Y	SLT date approved		Additional committee	

### Publication

Website Y/N	Y	Intranet Y/N	Y	Student VLE Y/N		Other	
-------------	---	--------------	---	-----------------	--	-------	--

### Change History

Version	Date Reviewed/ Revised	Description of Change	Reviewed by	Approved by

# Supply Chain Subcontracting & Payment Policy – 2024/25

## 1. Policy Statement

- 1.1. This policy is a policy of the City of Sunderland College, trading as Education Partnership North East (which includes Sunderland College, Hartlepool Sixth Form College, Northumberland College and EPNE Training). These colleges will be referred to as “the College” throughout this document.
- 1.2. This policy sets out the framework for the rational, delivery and charges of subcontracted provision and has been written in accordance with the:
  - 1.2.1. Education & Skills Funding Agency (ESFA) 16-18 and Adult Skills Fund (ASF) Funding & Performance Management Rules 24/25.
  - 1.2.2. Education & Skills Funding Agency Subcontract Management Standard
  - 1.2.3. North East Combined Authority (NECA) ASF Funding & Performance Management Rules 24/25.
  - 1.2.4. Tees Valley Combined Authority (TVCA) ASF Funding & Performance Management Rules 24/25.
- 1.3. The College is committed to excellence at the heart of everything we do. This means we are continually striving to develop and maintain outstanding partnerships and student outcomes. We expect high quality provision which responds to the needs of students, local communities, regional economic agendas and government priorities. This is why we are focused on extending and diversifying the range of courses delivered to engage new and niche markets; to widen participation and respond to emerging needs. As part of this strategy, we are deeply committed to developing two-way partnerships with high quality, low risk supply chain subcontractors to deliver only the best education and training.
- 1.4. The College does not fund organisations defined as high risk through the college’s due diligence activity.
- 1.5. Our subcontracted provision directly aligns with our strategic goals. All subcontractors must sign up to the College’s core professional values: Ambitious, Innovative, Authentic and Respectful.

## 2. Scope

- 2.1. This policy covers both our Subcontracting & Payment Policy, which fulfils the requirements of the ESFA and our other funding bodies.
- 2.2. This policy applies to all organisations who hold a supply chain subcontract for the delivery of education and training with the College, either procured through the College’s framework agreement or subcontracted delivery procured outside of the agreement to meet specific needs, all in line with our subcontracted plan.
- 2.3. This policy should be read in conjunction with the College’s Subcontract Management Framework.

## 3. Disclaimer

- 3.1. The College reserves the right to amend our subcontracting arrangements at any time including the terms and conditions contained in any contracts for subcontracted provision.
- 3.2. The College will immediately recover in full any funds paid to a subcontractor, which are subsequently found not to be due, regardless of the reason.

## 4. Aims of the Policy/Underpinning Principles

4.1. The principles guiding this policy include:

- 4.1.1. High quality subcontracted provision that will meet the high standards and priorities of the College.
- 4.1.2. High level of support and guidance provided to support subcontractors to continually improve.
- 4.1.3. Full compliance with the ESFA and/or Combined Authority funding rules.
- 4.1.4. Efficiency in payments to subcontractors that are in line with the terms of the agreement.

4.2. Intent of Our Subcontracting

4.2.1. In line with our Strategic Plan – specifically goals 1, 2 and 5 – our intent for subcontracting is to:

- 4.2.1.1. Enhance opportunities available to students, to engage those who are NEET and to meet the needs of new and niche markets.
- 4.2.1.2. Widen participation, bringing positive community benefits and respond to emerging needs.
- 4.2.1.3. Meet the current and future skills needs and demands of the region’s key economic sectors and labour market.
- 4.2.1.4. Grow market share through long term, sustainable, two way, mutually beneficial partnerships with low risk, outstanding supply chain partners.
- 4.2.1.5. Ensure an offer which complements, improves access, does not compete with the existing product portfolio of the College and realises outstanding student outcomes.
- 4.2.1.6. Enable the College to respond quickly to changing demands, through a flexible, agile supply chain.

4.3. Priorities for Subcontracting

### 4.3.1. Provision

- 4.3.1.1. 16-18 Community Based Study Programme, which engages NEETs where the organisation has ESFA permission to deliver 16-18 provision.
- 4.3.1.2. 19+ employment route-ways, which support adults into work and respond to employer demand.
- 4.3.1.3. 19+ provision to upskill the workforce / employed adults.

### 4.3.2. Sectors

- 4.3.2.1. Advanced Manufacturing & Engineering.
- 4.3.2.2. Logistics & Transport.

### 4.3.3. Target Groups

- 4.3.3.1. 16-18 year olds with a focus on NEETS.
- 4.3.3.2. 19+ unemployed.
- 4.3.3.3. 19+ employed and earning below earning threshold to receive full funding.

### 4.3.4. Geography

- 4.3.4.1. North East (specifically Sunderland and Northumberland local authority areas).
- 4.3.4.2. Tees Valley (specifically Hartlepool).
- 4.3.4.3. By exception, outside North East (ASF funding only).

- 4.4. The College values diversity and inclusion and is committed to promoting equal opportunities and eliminating discrimination. Therefore, everyone will apply and administer this policy fairly and consistently to ensure that there is no discrimination on the grounds of age, disability, gender reassignment, marital and civil partnership status, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

## 5. Services Provided

- 5.1. All subcontractors receive a high level of support and guidance. The costs associated with the services provided are proportionate to the contract value, to ensure a fair and equitable contribution to costs, based on contract value.
- 5.2. The services summarised below are not exhaustive and will be discussed with each subcontractor prior to contracts being issued, taking into consideration experience, capacity, volume of provision, track record, and due diligence checks to ensure we only fund high quality, low risk provision.
- 5.3. **External Funding Team:** Provides advice and guidance on all aspects of funding and compliance, to ensure accurate, fully compliant funding body claims and the college fulfills all funding body audit and compliance requirements. Each subcontractor is also allocated a dedicated contract manager, responsible for ensuring subcontractors meet the required performance standards and full compliance with funding rules.
- 5.4. **Curriculum Quality Link Manager:** Each subcontractor is allocated an Associate Principal or Curriculum Director and a QTLA Manager, where their expertise is best aligned to the provision delivered, responsible for quality assuring the subcontracted delivery.
- 5.5. **Quality Oversight and Support:** All subcontractor teaching staff are observed annually. Each subcontractor benefits from termly Curriculum Performance Review, chaired by the Associate Principal for Quality, with the Curriculum Director responsible for the quality of provision.
- 5.6. **Management Information:** Subcontractors receive a monthly ILR and MI, which sets out their performance levels against agreed KPI targets in the contract.
- 5.7. **Internal Support Services:** Access to a range of support services across the College including Safeguarding, Registry, Exams, Safeguarding, IAG, Learner/Learning Support and Bursaries
- 5.8. **Continuous Professional Development:** The College is committed to providing a high quality CPD programme, designed to complement and add value to the supply chain partner's own CPD offer, by providing high quality, continuous professional development opportunities across a range of areas.

## 6. Implementation

### 6.1. Subcontractor Professional Development Programme

- 6.1.1. A programme of events and information is in place to support the professional development of subcontractors' staff. The primary focus is improving teaching, learning and assessment, as well as discussion of key issues facing the sector, for example Ofsted requirements, funding changes, the sharing of good practice amongst partners and key policy drivers such as the Prevent Agenda, Bribery & Corruption and Designated Safeguarding Lead Training.

### 6.2. Teaching and Learning

- 6.2.1. The College is committed to creating outstanding learning opportunities for all our learners. Subcontractors are in scope for the College's Teaching, Learning and Assessment policy. We will support, develop and share good practice with subcontractors through quality reviews, operational and compliance meetings, lesson visits, professional development opportunities and

employer and student evaluations. In addition, subcontractors will have access to the College policies and procedures.

### 6.3. Management Information

- 6.3.1.** Subcontractors must ensure timely and accurate submission of all evidence to enable the monthly management, monitoring, checking, and processing of ILR data and attendance.
- 6.3.2.** Subcontractors must engage in regular communication and/or meetings with the College's Funding & Data Manager and Head of External Funding & Contracts to ensure completeness and accuracy of ILR data and payments.
- 6.3.3.** For any funding to be generated and claimed for any given month, subcontractors are required to submit all enrolment and achievement evidence to ensure the data is processed by the College in time for the monthly ILR return and subsequent funding allocation.
- 6.3.4.** Should poor or inaccurate subcontractor data be transferred to the College's ILR, in certain circumstances, funding may not be paid, and further investigations will follow.

### 6.4. Key Performance Indicators (KPIs)

- 6.4.1.** Subcontractors commit to KPIs including quality, financial and compliance, agreed as part the subcontract with the College.
- 6.4.2.** The KPIs ensure the provision funded by the College is of high quality and low risk, delivering only the best quality education and training to our students.
- 6.4.3.** The College will closely monitor performance against agreed KPIs. Contracts may be adjusted accordingly, at any point in the year where KPIs are not being met.

### 6.5. Funding and Audit Guidance

- 6.5.1.** The College will assist subcontractors with the interpretation of funding rules for all types of provision and liaison with regards to audit evidence and other Funding Body compliance requirements.

### 6.6. College Facilities

- 6.6.1.** Subcontractors may be offered use of the College campus facilities for College funded students.

### 6.7. Identifying Subcontractor Support Required and Associated Costs

- 6.7.1.** The College is committed to ensuring the level of funds paid to subcontractors is maximised, to secure the highest quality of delivery for our students. Placing excellence at the heart of everything do, we provide a high level of support to continuously improve the quality of our subcontracted delivery.
- 6.7.2.** The College will pay subcontractors 80% of the funding available. To ensure the effective management of subcontractors, full compliance with the ESFA and/or Combined Authority funding rules and that we only fund high quality, low risk delivery, we provide a suite of standard support and services to our subcontractors, as a minimum, including procurement, support and contract management.

- 6.7.3.** Payments take into consideration previous experience and delivery history; support requirements; locations of delivery; achievement rates; Awarding Body accreditation; OFSTED; EQA reports and levels of risk determined by due diligence.

## 6.8. Quality Assurance

- 6.8.1.** Subcontractors will be monitored, supported, and guided to ensure their provision fully complies with the College's Teaching, Learning, Assessment and Quality policy encompassing the approach to teaching, learning and assessment, quality enhancement and quality assurance. Teaching and learning is at the heart of everything we do, which ensures positive outcomes and an enriched learning experience for all students.
- 6.8.2.** Each member of teaching staff will only be approved by the College following a review of their CV and qualifications, to ensure they have the appropriate qualifications, skills, expertise, and experience to teach our students. This is in addition to completion of mandatory training and DBS checks.
- 6.8.3.** Each of our subcontractors will be allocated to a Curriculum Link / QTLA Manager, whose expertise aligns with the subcontracted provision being delivered.
- 6.8.4.** Their role is to support, guide and improve the quality of teaching and learning through a schedule of planned support or monitoring activities, which include:
- Lesson visits of Teaching, Learning and Assessment and action planning.
  - Inclusion in audit and internal inspection processes, provision of partnership handbooks.
  - Tutor approvals.
  - Quality visits scheduled throughout the year.
  - Sharing best practice.
  - Scrutiny of students work and progress.
  - Subcontractors attending Professional Development Events.
  - Announced and unannounced visits.
  - Achievement Rate data analysis, reporting and action planning for early intervention if Achievement Rates fall below required standards.
  - Quality surveys with feedback to subcontractors including action plans or intervention strategies should feedback fall below required standards.
- 6.8.5.** Subcontractors also get a direct link with a named person in our External Funding & Contracts Office for dealing with any ad-hoc queries and a named manager as your primary link with the College.

## 6.9. Payment Terms

- 6.9.1.** Payment calculations are determined by details confirmed in the ILR on a monthly basis, following submission of the ILR to the funding body at the end of each month. The funding for each enrolment must be supported by the timely submission of fully compliant enrolment, attendance, and achievement evidence. Under no circumstances will the College pay funding to the subcontractor where the evidence submission is deemed by the College to be non-compliant.

- 6.9.2.** The College will confirm the invoice value due to the subcontractor on a monthly basis.
- 6.9.3.** We will pay subcontractors within 30 days of receipt of a valid, undisputed invoice. The 30 day term begins from the date of receipt of the valid undisputed invoice into the College's finance department. The College will not accept invoices that pre-date the date of receipt into the finance department. Payments will only be made to subcontractors within the above terms if they have been received from the ESFA or equivalent funding body. Payments will be limited to the maximum cumulative monthly value in the contract.
- 6.9.4.** The College defers 10% of the value of on programme payments for each student until a student is reported in the ILR as achieved or continues into the next academic year and all conditions outlined in the contract are met.
- 6.9.5.** Achievement payments will be included once evidence has been received that students have received certification.
- 6.9.6.** No payment will be made in relation to any student where the College has not received notification of required Enrolment, Attendance or Achievement for that Student.
- 6.9.7.** The College will not make payment to the subcontractor in respect of students over and above the agreed number of students and/or contract value on the programme(s) outlined in the subcontract.
- 6.9.8.** Under circumstances where fraud or funding irregularity is suspected, payments will be suspended immediately without notice until investigations are concluded and the College is satisfied that no fraud or funding irregularity has taken place.
- 6.9.9.** Under circumstances where fraud or funding irregularity has been identified, no further payments will be made, and the subcontractor will be required to repay the College immediately all funding in full associated with the fraud and or irregularities including any funds related to previous academic years.
- 6.10.**     Publication of Payment Data
- 6.10.1.** The actual level of funding paid to each subcontractor will be published by the ESFA and/or Combined Authorities in line with their guidelines.
- 6.11.**     Policy Communication
- 6.11.1.** This policy is communicated to and discussed with all subcontractors as part of our contract clarification.
- 6.11.2.** This policy is published in the public domain, available at <https://www.educationpartnershipne.ac.uk/subcontractor-policy-information/> and supplied to all new and existing subcontractors. If you require a hard copy of alternative format and/or language please contact the partnership office on 0191 5116000.

## 7. Responsibilities

7.1. The Board of Governors are responsible for:

- Considering and approving the College's subcontract policy annually.
- Receiving and considering reports on subcontractor provision including quality of education and financial performance.
- Seeking assurances that the College is complying with the ESFA and/or Combined Authority funding rules and the Subcontract Management Standard.

7.2. The Executive Leadership Team is responsible for:

- Considering and approving subcontract plan.
- Considering and approving subcontract awards.
- Receiving and considering reports on subcontractor provision including quality of education and financial performance.
- Seeking assurances that the College is complying with the ESFA and/or Combined Authority funding agreement and the Subcontract Management Standard.

7.3. The Vice Principal Partnerships & Commercial (Group) is responsible for:

- Strategic oversight of all aspects of Supply Chain delivery.
- Chairing EPNE's Subcontract Monitoring Group.
- Receiving reports on all aspects of subcontractor performance, seeking assurance that delivery is of high quality and low risk, that aligns with the College's strategic aims, objectives and subcontract plan.

7.4. Campus Principals are responsible for:

- Strategic oversight of subcontracted provision that falls within their portfolio of curriculum areas.

7.5. The Associate Principal Teaching, Learning & Quality is responsible for:

- Strategic oversight of the Quality of Supply Chain delivery.
- Chairing the Subcontractor Curriculum Performance Review.
- Reporting to Quality of Subcontracted Delivery to the Performance Quality & Standards Committee.
- Oversight of the Subcontractor Quality Monitoring Cycle.

7.6. The Head of External Funding & Contracts is responsible for:

- The end-to-end management of supply chain partners.
- Ensuring full compliance with ESFA and/or Combined Authority funding rules.
- Monitoring and reporting on all aspects of subcontracted performance to the Vice Principal Partnerships & Commercial (Group), Executive Leadership Team & the Board of Governors, to confirm we only fund high quality, low risk supply chain partners.

7.7. The Subcontract Monitoring Group is responsible for:

- Providing College oversight of all subcontracted delivery, both from a quality and financial performance perspective.

7.8. The Performance Quality & Standards Committee is responsible for:

- Operational oversight of subcontracted delivery focusing on quality, compliance and risk.



7.9. The External Funding & Contracts Team is responsible for:

- The administration of all aspects of each subcontract relationship.
- Ensuring full compliance with ESFA and/or Combined Authority Funding Rules, Audit requirements, College Policies & Procedures.

7.10. Curriculum Directors & QTLA Managers are responsible for:

- Operational management and support for all aspects of quality assurance.

7.11. Subcontractors are responsible for:

- Ensuring delivery full complies with all aspects of the subcontract, ESFA and/or Combined Authority funding rules and audit.
- Ensuring provision delivered as a minimum meets the High Quality measures required by EPNE.
- Ensuring full compliance with all College policies and procedures. Immediately informing the college of any risks, issues or non-compliance in relation to their subcontract with the College.

## 8. Associated Documents

- EPNE Subcontract Management Framework
- ESFA and/or Combined Authority Funding Agreement.
- ESFA Funding Rules.
- ESFA Subcontracting Standard.
- North East Combined Authority ASF Funding & Performance Management Rules 24/25.
- Tees Valley Combined Authority ASF Funding & Performance Management Rules 24/25.

## 9. Policy Monitoring and Review

9.1. The College regularly reviews all College policies to ensure equal opportunities.

9.2. This policy will be reviewed on an annual basis or when significant changes occur.

## 10. Equality Impact Assessment

<b>Have you sought consultation on this policy?</b>		No.		
<b>Details:</b>				
<b>Could a particular group be affected (negatively or positively)?</b>	<b>Impact Y/N</b>	<b>Description of Impact</b>	<b>Evidence</b>	<b>Mitigation/Justification</b>
Protected characteristics under the Equality Act 2010				
Age	Y	The priority of working with subcontractors who provide distance learning may have a positive benefit on young people who do not have access		

		to easy transportation to attend in person lessons		
Disability	Y	The priority of working with subcontractors who provide distance learning may have a positive benefit on those with disabilities who may find it difficult to attend in person lessons		
Gender Reassignment	N			
Marriage and Civil Partnership	N			
Pregnancy and maternity	Y	The priority of working with subcontractors who provide distance learning may have a positive benefit on parents who may not have access to child care making it difficult to attend in person lessons		
Race	N			
Religion or belief	N			
Sex	N			
Sexual Orientation	N			
<b>Additional characteristics to consider</b>				
Young Persons in Care & Care Leavers	Y	This policy will have a direct, positive effect on those within these groups as its aim and priority is to widen participation and ensure young people do not become NEET	See Section 4	
Young Carers & Care Givers	Y			
Young Parents	Y			
Youth Offenders	Y			
Those Receiving Free School Meals	Y			
<b>If there is no impact, please explain:</b>	For those areas with no impact, the policy does not directly or indirectly impact any certain group: for example, the priorities set forth in Section 4.3 include all age groups			