



CROWN VOCATIONAL TRAINING

SUB-CONTRACTING POLICIES AND PROCEDURES

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1. SUB-CONTRACTING POLICY AND STRATEGY

Objective

This policy provides transparency for all subcontractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to sub-contracted provision using Crown Vocational Training's own direct contract.

Crown Vocational Training ('Crown') will ensure that all provision funded through its direct ESFA contracts, whether delivered by Crown or a sub-contracting organisation will provide an excellent learner experience and represent good use of public monies.

Rationale for Sub-Contracting

Crown utilises subcontractors to compliment apprenticeship delivery by providing expert training within the industry to support apprentices learning activities. Crown's subcontracting will:

- Enhance the opportunities available for learners
- Fill gaps in niche or expert provision
- Provide access to high quality training facilities

Crown subcontracts only within apprenticeship provision and is intending to reduce subcontracted delivery where the expert provision can be delivered internally. Crown only subcontracts to organisations that are on the Apprenticeship Provider and Assessment Register (APAR). Where subcontracting applies, the subcontractor delivers part of the apprenticeship training to provide specific training apprentices.

Delivery partners will only be contracted under a subcontract arrangement where Crown's due diligence determines that the subcontractor has the capacity to deliver quality training which compliments Crown's high-quality standards in line with all regulatory requirements including Ofsted and the ESFA.

Procurement

Procurement of subcontractor services will usually be in response to requests/approaches made by the potential contracting organisation to Crown. If additional procurement of sub-contracting services is required, this will be by invitation only and contracts shall be awarded based on an approached organisation's suitability, track record and capacity to deliver the service.

Due Diligence

Crown will not subcontract with providers who are deemed to be unsuitable. To establish this, Crown will undertake a robust process of due diligence when selecting subcontractors to ensure quality of learning delivery, value for money, positive learning experience for the apprentice, and a positive impact for employers.

Due diligence will seek to confirm that the proposed subcontractor:

- Is listed on the published Apprenticeship Provider and Assessment Register (APAR)
- Has compatible and complementary aims, values and mission
- Has capacity and a track record of high-quality provision, including the ability to quality-assure and enhance relevant provision
- Is of appropriate legal and financial standing
- Has no conflicts of interest
- Has put in place the appropriate internal policies to ensure compliance with legislative undertakings and general good practice and that these policies are regularly updated and effectively implemented.

Crown Vocational Training has a formal due diligence process as follows:

- An initial discussion between a senior manager of the potential sub-contracting organisation and Crown's senior management team
- Agreement to progress onto the due diligence stage confirmed by a senior management team member
- Issue of the due diligence document for completion by the potential sub-contractor
- Receipt of the completed due diligence document and supporting evidence
- Request for references made by Crown Vocational Training
- Review of due diligence information (financial accounts) and members of the quality team
- A risk analysis conducted and documented collectively by the personnel above
- Review of references obtained
- A decision is agreed and confirmed by the senior management team
- Potential sub-contractor to be informed of decision

Contract Agreement

Crown will issue a subcontractor's agreement, amended as required by mutual agreement between both parties. As minimum content, this document includes all the mandatory requirements set out by the Education and Skills Funding Agency each year within the funding rules and regulations. Signatories will always be at director level within both organisations. Contracts must be signed before the beginning of any delivery taking place and re-signed annually.

Management Fee Policy

Crown is committed to ensuring that the maximum amount of funding possible is passed on to our subcontractors to enable the best possible learning experience to the learner.

The percentage of funding retained by Crown is founded upon the basic requirement to cover the costs associated with the management of subcontracted provision along with an appropriate level of mark-up on such costs. The costs will vary according to the type of provision, the deemed risk of the provision and data processing/maintenance costs. These costs include but are not limited to the following considerations:

- Direct lead provider costs of relevant personnel and their teams
- Pro-rata lead provider costs of any software licence costs resulting directly from the additional data-management required for sub-contracting activities

Typical Management Rates

Typical management fees range from 10% to 20%. The range reflects the level of services provided to partners. The fee offered applied to individual subcontract delivery partners is dependent upon the amount of support required from Crown, the degree of risk we perceive, and the performance record of the delivery partner. More specifically:

- The extent of administrative support required to thoroughly check and resolve any problems with documentation prior to uploading learners' data to the Agency (45% of support fee)
- The outcomes of Quality Reviews, Monitoring Meetings and outcome and supply of OTLAs (50% of support fee)
- Attendance at regular Crown-led CPD meetings (5% of support fee)

Commitment from Sub-Contractors

Crown's policy is that the principal or responsible person of a sub-contract delivery partner shall continually improve the quality of teaching and learning through participation in the following support activities:

- Attendance at regular scheduled performance monitoring meetings to:
 - Review evidence of the quality of the learning experience and agree SMART improvement actions
 - Ensure compliance with the documentation requirements of the Education and Skills Funding Agency
 - Discuss any outstanding commercial issues
- Continuing Professional Development workshops at Crown
- Crown-led Quality Reviews and Quality Review Updates which investigate learner experience from files and through interviewing both employers and learners
- Co-operate in occasional joint observation of teaching, learning and assessment (OTLAs) for the purpose of standardisation. These obligations are in addition to good practice self-improvement initiatives such as appropriate OTLAs, CPD and standardisation which are undertaken by the subcontract delivery partner

Support provided to Sub-Contractors

The following support and facilities will be made available to Sub-contracting organisations at no additional charge to them:

- Managing and uploading learner data - all learner documentation is submitted to thorough eligibility and accuracy checking before being uploaded to the Education and Skills Funding Agency (ESFA) on a timely basis
- Networking with non-competitive potential partners, for example joint bidding for contracts
- Commercial leads from partner marketing activities
- OTLA visits and feedback by experts
- Access to teaching and learning guidance and resources
- Inclusion in CPD and other internal Crown programmes, as relevant and appropriate
- Sharing of relevant information and publications/updates from the ESFA and Ofsted made available to Crown
- Advice and assistance as necessary in order for Sub-contractors to maintain a self-sufficient and effective continuous improvement Strategy and associated working practices, including the Self-Assessment Process

Contingency

Should a contract cease with any of Crown's subcontracts, a contingency must be in place to ensure learners on programme are not disadvantaged in any way.

In this event, any learners on programme remain the responsibility of Crown Vocational Training as the lead provider and therefore, are responsible for finding alternative arrangements for the completion of their programme.

A subcontract contingency plan defines the options available in the occurrence of a termination of the contract in such situations as outlined in the plan.

The plan is intended to enable a quick and smooth transition for all learners involved to cause minimum disruption to their programme.

In both scenarios, Crown will appoint a senior manager to oversee the transition. This role will include liaising with all external stakeholders, learners, employers, ESFA, awarding organisations and end-point assessment organisations. They would also be responsible for ensuring Crown internal departments support the process, which includes compliance, quality, and finance.

The main scenarios to consider are:

- Lead provider/subcontractor needs to withdraw from a subcontract agreement
- Subcontractor goes into liquidation or administration

Payment Terms

Crown recognise the impact that cash flow has on smaller organisations and will always endeavour to ensure that payment for provision is made as soon as is practical after delivery has taken place.

Crown's payment schedule is as follows:

Event	Date/Deadline	Responsibility
Invoice for delivery in previous month supplied to Crown	By 6 th working day of month	Sub-contractor
Invoice queries raised	By 10 th working day of month	Crown
BACS payment to sub-contractor	By last working day of month	Crown

Communicating this Policy

This policy is published on the Crown website. Potential sub-contracting organisations will be signposted to this policy prior to any contract agreement.

2. DECLARATION OF SUB-CONTRACTING PARTNERSHIPS

Sub-contractor name	UKPRN of Sub-contractor	Contract start date	Contract end date	Type of provision	Funding paid by ESFA in relation to provision delivered by sub-contractor on an annual basis	Funding paid to sub-contractor	Funding retained by Crown
					£	£	£
Blue Sky Professional Development Ltd	10040456	1 st Aug 2024	31 st Jul 2025	Apprenticeship			