

Subcontracting & Fee's Policy 2016 2017

Scope

The policy applies to all Subcontracting activity supported with funds supplied by the Skills Funding Agency.

Woodspeen Training retains full accountability of subcontracted delivery, such as the use of funds, quality and learner experience.

Rationale for sub-contracting

Prior to entering the subcontracting process, Woodspeen Training will consider a Business Case to ensure that the subcontracting will be in the best interests of learners and employers.

We will ensure that:

- The proposed delivery is in the best interests of learners and employers
- The proposed delivery has clear strategic fit with our mission, objectives and values
- The proposal addresses areas that are identified as a priority by the SFA or regional LEP that the delivery takes place in
- There is sufficient staff resource in support areas to administer the subcontracting arrangement
- The sub-contractor is approved via our Quality and Financial Due Diligence process
- The sub-contractor agrees to work within the terms of our contract

Woodspeen Training engages with sub-contractors to better meet customer needs. Reasons are varied but could include:

- To match provision to a short term learner need in a sector we presently do not deliver in e.g. we do not consider that the long term demand is sufficient to establish our own infrastructure
- Providing access to, or engagement with, a new range of customers

- A suitable route for expansion in a new area / market
- To provide niche delivery where the cost of developing direct delivery would be inappropriate
- To support employers with a wide geographic requirement
- To support another provider to develop capacity/quality

Quality Assurance

The quality of the subcontractor's provision will be monitored and managed through our existing Quality Assurance processes. The Subcontractor will be assessed as part of the Woodspeen Training Self Assessment Report process annually to ensure continuous improvement in the quality of teaching and learning and allowing good practice to be shared across the supply chain.

Fees and Charges

Our standard management fee is 20% of all funding drawn down against the provision to be delivered. This figure represents the total cost that Woodspeen Training incurs in effectively identifying, selecting and managing all sub-contracted provision. This includes the minimum amount of quality assurance activity that Woodspeen Training would attach to a low risk subcontractor.

Further charges to cover additional costs may be added to the base 20% fee to cover the cost to Woodspeen Training of any additional support deemed necessary to ensure the quality of teaching and learning of any sub contracted provision.

Additional cost is determined using a number of risk factors listed on the Risk Register produced below. The completed table is produced and made available to all actual and potential subcontractors prior to agreement. It is designed to ensure that the cost of any additional support provided to a subcontractor is covered through the funding retained and that all additional costing is transparent.

Once the risk band has been identified ('High', 'Medium' or 'Low'), additional support and the subsequent extra fees required will be negotiated with that sub-contractor and may include:

- Additional site visits
- Additional lesson observation

- Additional tutor support
- More rigorous verification
- Increasing audit cycle to review files

The Risk Register will be reviewed and renegotiated every 6 months at contract renewal, giving subcontractors the opportunity to reduce their fees through demonstrable continuous improvement against set tests (e.g. Success Rate inline with National average +2%, 0% error rate in files etc.).

The Risk Register

Please note that this register is reviewed regularly and the criterion may vary from that listed below at time of agreement.

Criterion	Risk Score
Previous delivery experience and published success rates	
Verified present success rates in area of delivery	
Evidence of quality delivery from OTLA	
Type of provision to be undertaken	
Contract duration	

Additional charges per learner

Woodspeen Training may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the subcontractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from Woodspeen Training

- Support in recruitment, initial assessment and diagnostic assessment of learners
- Assessment of learning
- Shared teaching or other delivery responsibilities e.g. where TIR provides the teacher for certain elements of the programme
- Internal Verification

Any retained funding based on these factors (or others that are similar but not listed here) will be agreed with the subcontractor in advance of retaining funding.

Publication of information relating to sub-contracting

In compliance with the Skills Funding Agencies funding rules, Woodspeen Training will publish this Sub-contracting Fees and Charges Policy as well as its actual end-of-year sub-contracting fees and charges on its website before the start of each academic year.

Woodspeen Training will ensure all actual and potential subcontractors have sight of this policy and:

- The Risk Register which shows the scores that the sub-contractor must reach to be assessed as high, medium and low risk
- Details of the expected final management fee based on the Risk Register (minimum 20%)
- Details of any successful completion 'bonuses' where sub-contractors are paid some of the money retained, once it is clear that they will fulfil their contract.
- Payment terms between Woodspeen Training and subcontractors including timing information relating to invoice submission and payment
- Details of the support subcontractors will receive in return for the fees charged.

This policy will be reviewed annually and updated as required and it will be published on Woodspeen Training's website.

Potential sub-contractors will be directed to it as the starting point in any relationship.