

Sub-contracting Policy

Purpose

This policy defines the framework under which Construction Skills People Limited (CSP) will subcontract Education and Skills Funding Agency (ESFA) provision. It identifies the key factors that CSP will take into consideration prior to entering in to a legally binding contract with a delivery subcontractor.

It is written in accordance with:

- ESFA funding and performance-management rules
- CSP's financial regulations and procurement strategy

Overarching Principle

CSP will consider subcontracting training provision that is specialist or otherwise beyond our existing scope or capacity. This will be undertaken to:

- Enhance delivery through partnership with a subcontractor
- Ensure the highest quality of learning is available
- Demonstrate value for money
- Support employer's diverse training needs.

The Audit and Compliance Team will conduct transparent and robust due diligence procedures on potential subcontractors to ensure compliance with the applicable funding rules and policy intent.

The process of identifying a subcontractor and overseeing their delivery must be carefully monitored to ensure a continuous improvement approach and the best use of available funds.

The funding claimed and retained by CSP will be clearly documented and agreed by all parties.

Using Sub-contractors in the Delivery of Provision

The ESFA's rules governing subcontracted delivery are designed to increase the quality of this provision and to ensure that employers have a direct relationship with their main provider. As the main training provider, CSP will:

- Carry out due diligence checks on potential delivery subcontractors
- Enter into a written agreement with subcontractors
- Ensure that second-level subcontracting does not take place
- Obtain an annual report from an external auditor if the total apprenticeship contract value exceeds £100,000 in any one financial year

- Take full responsibility for the quality of all aspects of delivery and carry out regular quality assurance checks of their subcontractor’s provision
- Provide delivery sub-contractor declarations in line with ESFA dates and manage updates if arrangements or circumstances change during the year

Developing a Sub-Contractor Relationship

Subcontracting relationships may derive from existing collaborative partnerships or a formal tendering process.

The Audit and Compliance Team will collaborate with the Procurement Department to determine the procurement route on the value of the services being ordered.

All staff involved in the selection and award of a contract for services for subcontracted training provision, including the wider procurement process, must ensure that expenditure represents value for money to CSP and the ESFA.

Necessary steps will be taken to investigate any risk warnings, legal notices, overdue statutory accounts or any actual or perceived conflicts of interest and remove these potential subcontractors from the process. Due diligence activity, to establish satisfactory legal and financial positions, will be proportionate to the contract value.

In its decision to award, the University will evaluate against the following criteria:

- Capacity – Evidence of delivery of applicable provision, including any recent inspection ratings or outcomes.
- Quality – The offer of added value to training and assessment, including learning support arrangements and a commitment to continuous improvement.
- Cost – The agreed price represents value for the funding claimed.

Process Outline and Accountability

The process for identifying, appointing and managing a delivery subcontractor is outlined in the table below.

Area of Work	Responsibility	To Be Reviewed
Define requirements and selection criteria	Audit and Compliance/ Contract Manager	NA
Identify potential subcontractors with relevant experience	Audit and Compliance/ Contract Manager	NA
Inform subcontractors of Sustainable and Ethical Procurement Policy along with the Supplier Code of Conduct	Audit and Compliance/ Contract Manager	NA
If required, initiate formal tendering exercise	Audit and Compliance/ Contract Manager	NA

Initial review of subcontracted delivery proposals	Audit and Compliance/ Funding and Levy Manager	NA
Due diligence questionnaire issued, completed satisfactorily and on file	Audit and Compliance Team	Annual
Complete Risk Assessment and submit to Director	Audit and Compliance Team	Annual
Identification of KPIs and performance management frequency in Quality and Monitoring Plan	Audit and Compliance Team	Annual
Contractual paperwork issued, completed satisfactorily and on file	Audit and Compliance Team	NA
Record Quality and Monitoring Plan activities	Head of Quality/ Audit and Compliance Team	As needed
Performance Management Reviews	Funding and Levy Manager	As outlined in KPI's
Performance Management report	Funding and Levy Manager	Annual
Annual Review	Audit Committee	Annual

Performance Management Controls

The Audit and Compliance Team will review findings from initial due diligence and risk assessment checks to establish Key Performance Indicators. This will vary the frequency of monitoring activity described in the Quality and Monitoring Plan.

Quality and Monitoring Plan

To assure the quality of subcontracted training provision, and the learning experience for apprenticeships, CSP will assess, capture insights and report on:

Monitoring Activity	Responsibility	Frequency
Site Visits	Head of Quality	In line with KPI's
Staff/ Learner Interviews	Head of Quality	In line with KPI's
Lesson observations	Head of Quality	In line with KPI's
Learner progress reviews	Head of Quality	In line with KPI's
Internal and National Student Surveys	Head of Quality	Annual
Due Diligence Checks	Head of Quality. Audit and Compliance Manager	Annual
Subcontractor Performance Management Reviews	Funding and Levy Manager	Monthly

A record of quality and monitoring activities will be kept and may be provided as evidence to an Employer, the ESFA or its delegated authority at financial assurance review.

Where CSP finds, or is alerted to, instances of non-compliance or a change of circumstances that prevents satisfactory performance, the following process would apply:

- In the first instance, an action plan will be discussed, implemented and reviewed at the next available meeting opportunity.
- Performance issues that cannot be resolved sufficiently will be escalated to the Learning, Development and Innovation Director
- Serious breaches of compliance are handled in line with the relevant terms and conditions of the Learning Provision Sub-Contract (Contract for Services).

Approval and Review

The policy shall be updated annually as a minimum, by no later than September each year. Annual updates shall be superseded where relevant statutory instruments require policy amendments.

This policy was approved by Pamela Smith on behalf of the Board of Directors on 07 August 2024, having received authorisation from the Board to do so.

Pamela Smith

Learning and Development Director

07 August 2024