**Subcontracting Policy 2022-23**

**Introduction**

The purpose of this document is to describe PGL Trainings policy in relation to engaging managing subcontractors and subcontracted provision.

**Scope**

The policy is a mandatory requirement which must be in place prior to providers participating in sub-contracting activity being funded by the Education and Skills Funding Agency (ESFA). This policy is effective from 1st August 2022.

**Procedures/Implementation**

PGL Training will use its supply chain to rationalize the impact and effectiveness of service delivery to the customer. PGL Training will therefore ensure that:

• PGL Training will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels and to ensure the highest

quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.

• The funding that is retained by PGL Training will relate to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties in a formal contract.

• Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, PGL Training will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships.

**Reason for subcontracting**

The decision to engage with subcontractors to deliver learning programmes on behalf of the

PGL Training will take account of the below factors:

• To fit with the strategic aims and goals of PGL Training

• The added value the subcontractor will bring to PGL Training

• Widening participation (attracting learners who would not traditionally attend PGL Training)

• Enabling PGL Training to expand in specialist subject areas

• The sound financial health of subcontractors

• Local, regional and national needs of employers and learners

• The breadth and mix of provision required to meet customer needs

• The quality of provision from subcontractors and their ability to achieve outstanding provision

• Past performance of subcontractors and a track record of high success

**Quality Assurance**

The quality of the provision will be monitored and managed through the existing PGL Training Quality Assurance processes and procedures.

This Policy positions subcontracted provision as a core part of PGL Training activity to enable continuous improvements in the quality of teaching and learning for both PGL Training and its subcontractor's. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process and Quality improvement plan.

**Quality Improvement**

• PGL Training actively supports subcontractors to improve continuously the quality of the teaching and learning they deliver and thereby improve the overall quality of teaching and learning to all PGL Training learners.

• PGL Training undertakes observations on all aspects of teaching and learning including information, advice and guidance, progress reviews and assessment.

• PGL Training provides timely and meaningful feedback to both subcontractor and delivery staff and observations will be incorporated into PGL Training moderation and standardisation process, in order that improvement actions impact both internal and subcontract quality.

• PGL Training carries out learner voice surveys to gather feedback from learners, combined employer satisfaction surveys.

• PGL Training supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.

**Publication of information relating to sub-contracting**

PGL Training will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents, such as the Fees and Charges Risk Factor Table and are fully aware of:

• The services PGL Training will provide when subcontracting to and the associated costs when doing so, including a list of specific costs for managing the subcontractor, specific costs for quality monitoring activities and specific costs

for any other support activities offered by you to the subcontractor

• How each cost is reasonable and proportionate to delivery of the subcontracted teaching or learning and how each cost contributes to delivering high quality learning

• The typical percentage range of fees retained to manage subcontractors, and how this range is calculated.

• The rationale used to determine the level of fee retained through each subcontract is a risk based approach.

• The contributory risk factors that would result in differences in fees charged for, or support provided to, different subcontractors might include:

- Previous track record

- Success levels

- Type of customers to be engaged

- Type of provision to be undertaken

- Contract duration

• The risk bands that will be used to allocate PGL Training charges. Risk factors are given a score so that each subcontractor is aware of why they are in a particular band, this process will be used to give sub-contractors an incentive to improve and thus reduce the risk band that they fall in. For example, higher risk sub-

contractors will be allocated less funding but receive more monitoring and support.

• 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 PGL Training and subcontractors - timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.

• The support subcontractors will receive in return for the fees charged.

**Communication**

This policy will be reviewed in each summer term and updated as required. It will be

published on PGL Training web site during the July prior to the start of the academic year in which it will be applied. Potential subcontractors will be directed to it as the starting point in any relationship.

**The Fees and Charges Risk Factor Table 2022-23**

**Fees retained and variation in fees charged or support provided to different subcontractors**

• The exact fee is calculated based on the specific costs for managing the individual subcontractor to ensure that the quality of delivery to learners is maintained and that any risk to PGL Training and Education & Skills Funding Agency is mitigated.

• Higher fees are retained where more comprehensive support needs are identified, for example to improve the quality of some or all of a subcontractor’s delivery or if PGL Training provides substantial delivery resources (material, staff, premises).

• Costs will be assessed annually to ensure they are reasonable and proportionate to delivery of their teaching or learning and how each cost contributes to delivering high quality learning (See

All funding is drawn down against the provision to be delivered. This figure represents the total cost that PGL Training incurs in effectively identifying, selecting and managing all sub- contracted provision. This includes the minimum amount of QA activity that PGL Training would attach to the lowest possible risk sub-contractor.

Further charges to cover additional costs may be added to the base fee to cover the cost to PGL Training of any additional support that PGL Training deems necessary to ensure the quality of teaching and learning and the success rates of any subcontracted provision. Additional cost is determined using a weighted table of risk factors. The table is available to all actual and potential subcontractors. It is designed to ensure that the

cost of any additional support provided to a subcontractor is covered through the funding

retained. Additional costs will be recalculated and negotiated each year at contract renewal, giving sub-contractors the opportunity to reduce their fees through continuous improvement. This approach will allow PGL Training to focus support where and when it is needed.

**Additional Support for Sub Contractors**

The precise additional support given to each sub-contractor will be negotiated with that sub- contractor, but will be based on a 'risk band' approach and may include:

• Additional site visits

• Additional lesson observation

• Additional tutor support

• More rigorous verification

**Additional charges per learner**

PGL Training may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the sub-contractor such as:

• Awarding Organisation fees and charges

• Hiring of facilities/equipment within/from PGL Training

• Internal Verification

**Support provided to subcontractors**

• PGL Training provides a Contract Manager to manage the relationship with the subcontractor.

• PGL Training provide as Quality Lead to ensure that the quality of subcontractor’s delivery meets its expectations and to support the continuous improvement of the subcontractor’s provision.

• PGL Training provides administration support to ensure the timely

recording of learner information on PGL Training’s ILR.

• The PGL Training undertakes a regular and substantial programme of quality assurance checks on the education and training provided by subcontractors, including visits at short or no notice and face-to-face interviews with staff and learners. These checks include whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes.

• PGL Training ensures that all of the subcontractor’s delivery meets the

Education & Skills Funding Agency’s Funding Rules.

• PGL Training ensures that any Apprenticeship provision delivered by subcontractors meets all of the required standards and specific ESFA funding rules.

**Payment terms**

• Subcontractors will be paid monthly in arrears.

• Payment will be based on actual delivery evidenced through PGL Training’s ILR.

• Payment by BACS will be made within 30 days of the subcontractor submitting a validated invoice to PGL Training.