



East Coast College

Sub-Contracting Policy 2021/22

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This document can be provided in a larger font, electronically or

other accessible requirement, upon request.

Sub-Contracting Policy

- **Introduction and Purpose**

This Policy is a mandatory requirement that must be in place prior to participating in any sub-contracting activity. The Policy has been written in accordance with the Education Skills Funding Agency's (ESFA) requirements as set out in the current Funding Rules [and the Subcontracting Standard\(July 2021\)](#).

- **Scope**

The Policy applies to all third party sub-contracted supply chain activity supported with funds supplied by the Education Skills Funding Agency or any successor organisations.

- **Disclaimer**

East Coast College reserves the right to amend its sub-contracting arrangements at any time in accordance with the requirements of the funding bodies and the terms and conditions contained in its standard contract or sub-contracted provision.

- **Overarching Principle**

The College will use its supply chains to optimise the impact and effectiveness of service delivery to learners. The College will, therefore, ensure that:

- Supply chain management activities comply with the principles of best practice in the skills sector.
- The College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on the lives of learners
- The funding that is retained by the College will be related 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. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided
- Contract documents will require both parties to agree that the achievements of the sub-contracting are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the overarching principle.

- **Rationale for Sub-contracting**

The College engages with sub-contractors in order to:

- Enhance the opportunities available to young people and adults
- Fill gaps in niche or expert provision, or provide better access to training facilities
- Support better geographical access for learners
- Offer an entry point for disadvantaged groups
- Provide consideration for the impact on individuals who share protected characteristics

Provision that meets one or more of the following criteria will be prioritised:

- It meets the needs of residents and employers of Great Yarmouth, Lowestoft and immediate regional adjacencies
- It supplements and does not duplicate the College's curriculum offer
- It offers progression opportunities into the College

- **Quality Assurance**

Sub-contracted activity is an important part of the College's provision. The quality of the provision will be monitored and managed through the existing College Quality Assurance processes and procedures, as amended in order to fully encompass all sub- contracted activity.

This Policy positions sub-contracted provision as a core part of College activity to enable continuous improvements in the quality of teaching and learning for both the college and its subcontractors. This will be achieved through the sharing of effective practice across the supply chain.

Sub-contracted provision will only be supported with organisations which can demonstrate the actual achievement of, or the potential to rapidly achieve, good quality teaching and learning and success rates which achieve national averages. **There is a robust due diligence process to support new and renewing contracts, and this includes financial audit and compliance checks, previous delivery models and outcomes and checks for staffing, health and safety and qualification compliance.**

East Coast College ensures that its sub-contractors are included in the College's quality systems and are audited and supported by the College to follow this process. Practices follow a planned quality assurance calendar in which actions include spot checks, register compliance, learner voice, lesson observations, and feedback of tutorials and feedback. Regular contract meetings review progress, and monitoring activities, and a current Quality Improvement Plan (QIP) is held and reviewed. The contract will highlight clear guidance on actions to take when quality concerns are raised, and mitigation when internal and external changes may impact upon delivery and outcomes.

The College supports sub-contractors to complete the course review and self-assessment process, including quality improvement plans. It also offers support as required to share good practice through regular quality reviews, observation

of teaching, learning and assessment, the Intensive Care process and learner and employer feedback.

Sub-contractors will collect, retain and submit to the College on request all relevant documents and evidence of student activity. This will be in line with GDPR regulations.

- **Publication of Information Relating to Sub-contracting**

In compliance with ESFA and other agency funding rules that apply, the College will publish its sub-contracting rationale, Fees and Charges Policy and actual end-of-year sub-contracting fees and charges before the start of each academic year (and in the case of actual end of year data, as required by ESFA). This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes or apprenticeships. It will not include the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an apprenticeship or outreach support). Provision subcontracting lists will be agreed with local ESFA officials prior to publication.

The College will ensure all actual and potential subcontractors have access to this policy and any other relevant documents.

The College will charge a management fee usually at 20%, unless agreed otherwise, of funding drawn down from the ESFA dependent on the level of support and services given to the respective sub-contractor which includes:-

- Provision of a suitably qualified/experienced College liaison officer
- Advice and guidance at pre-contract stage and due diligence assessment
- Enrolment support (e.g. provision of paperwork, advice and guidance on student eligibility) and processing of enrolment documentation
- Data and financial management – timely and accurate processing and submission of data to enable drawdown of funds from the funding bodies and analysis to ascertain funding earned by sub-contractor and calculation of success rates
- Provision of regular class lists
- Regular review meetings and performance reports
- Compliance and quality assurance visits and ongoing support to address any areas for improvement including announced and unannounced site visits, lesson observations, tutor support and quality assurance and administration support

All invoices submitted by a sub-contractor must be supported by documentation as required in the contract. **The college reserve the right to review payments based on measurable quality factor as well as the ability for clawback for under performance.** Where there are no issues relating to a sub-contractor's submitted invoice, the College will endeavour to ensure that the payment of the invoice is made within 30 days of receipt.

- **Monitoring, Review and Risk Management**

Any prospective sub-contractor will be required to complete the College's Due Diligence Questionnaire to assess the level of risk should the College decide to enter a contractual agreement with that organisation. **This process will include the examination of financial, establishment, quality and staffing elements to ensure that risk and suitability is suitably assessed. The subcontractor's legal entity will also be checked along with the providers UKPRN. Assessment will be undertaken by the nominated Assistant Principal and College Project Manager.**

Provision funded through the ESFA Adult Skills budget and the ESFA budget must comply respectively with the ESFA Funding Rules 2021/22 and ESFA Funding Guidance for Young People 2021 to 2022 (sub-contracting control regulations) and any updates published by the funding agencies during the year.

Sub-contractor performance will be monitored on an ongoing basis. Feedback on performance will be provided in writing, at face to face meetings, by telephone or e-mail. The methods used will be dependent upon the circumstances at any point in time. Feedback will also be provided at periodic contract performance review meetings.

Contributory risk factors that are used to identify the initial level of risk associated with a prospective sub-contractor will include:-

- Previous track record/performance
- Staff qualifications and experience relevant to delivery of agreed programmes
- Results of EV reports
- Financial standing of the sub-contractor
- Length of sub-contractor's existence
- Contract size with regard to both funding and learner numbers
- Standards of internal quality assurance by sub-contractor
- Any previous OFSTED judgement/s
- Profile of learners
- Experience of working with ESFA funding methodology and requirements
- Geographic location, particularly for ESFA funded provision, to ensure provision is not outside of the College's normal recruitment areas

During the period of contractual agreement the College will, on an on-going basis, also monitor the level of risk through:-

- Observations of teaching, learning and assessment
- Qualification achievement rates
- Actual income against contract target funding income.
- Standards of internal quality assurance (both curriculum and administration)

- Learner feedback (at workplace or by telephone or online learner surveys)
- Employer feedback (where appropriate)
- Learner progression

The risk factors associated with each sub-contractor will be discussed and recorded at review meetings and, where necessary, actions identified for the sub-contractor to undertake in order to reduce the level of risk.

Where a subcontractor is found to be providing a supply of services that does not meet agreed targets and expectations of quality, the College can terminate any agreements.

The College can terminate any agreements. The College may seek recovery of funds particularly where the funding agencies' conditions of funding have not been met or there is any other irregularity.

- **Sub-Contractors Requirements within the contract**

Sub-contractors are required to ensure:

- The College is provided with Individual Learner Record (ILR) data to accurately reflect the agreed sub-contracted delivery
- The College and funding agencies (or other bodies nominated by the College or agencies) have access to the sub-contractor's premises and all documents relevant to tracking learner's progress, funding claims and any other purpose relating to the agreed sub-contracted delivery
- The College has access to the sub-contractor's premises to monitor and quality assure the delivery of learning, including interviewing staff and students and directly observing the initial guidance and assessment (IAG) process
- All learners sign a learning agreement at the time of enrolment reflecting the outcome of initial guidance and assessment (IAG) and setting out their learning programme
- The agreed sub-contracted delivery is not further sub-contracted
- Funding for the agreed sub-contracted delivery is not "double-funded", i.e. learners are not funded by the ESFA at any other institution
- Provide evidence to assess its performance against Ofsted's common inspection framework
- incorporate the evidence it provides you with into your self- assessment report; and guide the judgements and grades within your self-assessment report.
- The subcontractor must always have suitably qualified staff available to provide the education and training funded by ESFA.
- The subcontractor must co-operate with you if the subcontract ends for any reason to make sure that there is continuity of learning.

- The subcontractor must tell you if evidence of irregular financial or delivery issues arise. This could include, but is not limited to: non-delivery of training when funds have been paid.
- Inform the college of sanctions imposed by an awarding organisation, allegations of fraud, an inadequate Ofsted grade, allegations or complaints by learners, staff members, or other relevant parties.
- The subcontractor must not use ESFA funding to make bids for, or claims from, any European funding on its own behalf or on behalf of ESFA. The subcontractor must be bound by ESF clauses from your contract being included in the subcontract, even if the provision being subcontracted is not funded by the ESF. The subcontractor must not use ESFA funding as match funding for ESF projects

Controls over students, tutors and provision

- The college will monitor subcontractors to ensure that learners have full access to free funded education and training, including (but not limited to) information about and access to, 16 to 19 bursary and other student support funding, information, advice, and guidance (IAG) and access to learning support if required.
- The college has control over students, tutors, and provision and can enrol or reject
- Learners will sign a learning agreement at the time of enrolment; the agreement must reflect the outcome of initial guidance and assessment for an individual student and set out their study programme and any learning support to be provided. Learners' eligibility for ESFA funding is confirmed through an enrolment form and/or learning agreement, which must include your name and your logo, and which is signed by the Learner at the start of their programme. A learning programme and its means of delivery will be clearly specified and there are arrangements for assessing the progress of individual learners.
- The college will ensure there are procedures for you to regularly monitor the delivery of programmes provided in your name throughout the period of the programme. The college will establish whether any of your subcontractors work with other directly funded ESFA lead providers.
- Learners must not be enrolled at more than one directly funded ESFA provider.
- The lead provider must claim all the funding for an ESFA-funded learner. When a learner is attending different directly funded providers for different components of their programme of study, the lead provider must record all these components and indicate on the individualised learner record or school census which elements are delivered via a subcontracting arrangement.

Additional support for Sub-Contractors

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

- Elements of the Study Programme
- Additional site visits
- Additional lesson observation

- Additional tutor support
 - More rigorous verification
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- **Communication**
 This Policy will be reviewed in each summer term and updated as required. It will be published on the College web site prior to the start of the academic year in which it will be applied. Potential sub-contractors will be directed to it as the starting point in any relationship.
 - **External Assurance**
 The College will undertake external assurance through an independent auditor to review sub-contracted delivery controls over all ESFA funded provision in line with guidelines for the current academic year.
 In 21/22 the college must ensure that the new Subcontracting Standard is followed. A summary is provided below-

4. Pre-award activities

Before you enter a subcontract arrangement you must be able to demonstrate:

1: There is a clear educational rationale/business case for subcontracting which aligns to the provider's corporate and operational strategies. We would expect the business case to set out the policy, business and operational objectives including consultation with stakeholders and undertaking research to determine the education rationale. This rationale must consider the expectation ESFA has for providers to reduce their subcontracted provision. We would also expect the business case to be presented and approved at executive/board level for sign off.

2: The education rationale meets one or more of the following aims:

- enhances the opportunities available for learners
- fills gaps in niche or expert provision or provides better access to training facilities
- supports better geographical access for learners
- offers an entry point for disadvantaged groups; or
- gives consideration of the impact on individuals with shared protected characteristics, where there might otherwise be gaps

3: The drafting process for the specification and requirements. This drafting process is concerned with breaking down the overall scope documented as part of the educational rational /business strategy into more detail and then, progressively, and iteratively, refining into schedules of detailed requirements, ensuring that the objectives for subcontracting will be met and the subcontractor will meet the requirements of this standard along with the requirements laid out in the funding rules.

4: There is a procurement strategy that would cover the pre-qualification, qualification, and tendering procedures. As part of the strategy, whether this is new or an existing process, the provider would need to decide what pre-qualification is required in respect of the criteria resulting in a Pre-Qualification Questionnaire (PQQ) being produced for those expressing an interest.

5: That the PQQ is sufficient to collect, but not limited to, the following information: organisation, including ultimate parent details including identity, ownership and background, principal activities (past and present), organisational chart, contractor/sub-contracting approach, professional/commercial affiliations, legal, financial, capability, quality management systems, Ofsted reports and experience and track record.

6: The procurement strategy/process ensures that a robust assessment process for selecting subcontractors has been established that would review the subcontractor's completed PQQ as well as their capability to control quality, delivery, quantity, price and all the other factors contained in the subcontract. Following a successful appraisal, the subcontractor is placed on an approved list of contractors.

7: The procurement process includes the drafting of the ITT documents. Attention should be paid by the provider to ensure that the contract document sets out clearly, comprehensively, and unambiguously, the obligations of the parties to the agreement.

8: The evaluation process includes not only the analysis of the potential subcontractor's response to the main subject matter of the requirements set out in the ITT, such as price, delivery, quality, methodology, for example but also, most importantly, the quality of the bidder's offer. There should be a clear rationale for how the tenders are evaluated and scored.

9: That following tender evaluation and, where appropriate, negotiation, the provider will satisfy themselves that an offer has been made which meets its requirements in all respects, including budgetary and capability, and consider that it is able to accept an offer and award the contract to the tenderer who meets the contract specification. It may then move directly to the award stage or make a recommendation to higher authority levels within the organisation for acceptance is aligned to the provider's strategic and operational objectives.

10: That there is a contract management plan which determines how the contract will work once it has been awarded. It is vital that a contract management plan is drawn up in advance of contract award. This should set out how the obligations of all the parties should be carried out effectively and efficiently.

11: That the proposed subcontract will meet the agreed educational needs, that it is achievable and affordable, and it addresses the desired outcome(s) of the subcontract, critical success factors, the possible alternatives, including existing contracts, the risks including the extent and where they may fall, identification of any contingent needs and ramifications of proceeding and timescales.

12: Where appropriate you have sought approval from ESFA for any agreed subcontracting terms in relation to distance learning and whole programme subcontracting for 16 to 19 and there is evidence of this.

13: That management fees have been determined for the full range of funding retained and charges that they wish to apply, and these have been agreed at executive level and published on the website. These should only exceed 20% in exceptional circumstances, and where they do, ESFA reserve the right to challenge.

5. Contract award and management

In preparing for contract management and providing oversight the provider must be able to demonstrate:

1: That all awarded contracts are managed by staff within the organisation who have clearly defined role(s) that have been agreed as part of the overall considerations in producing the business case.

2: The defined roles ensure that contract ownership is clear, with the budget holder, senior responsible owner (SRO), and contract manager clearly defined (where appropriate).

3: There are well defined policies and processes and a clear contract management plan, with a focus on outputs and a 'whole life' approach to performance. For example, this must include, where appropriate, evidence of how the provider will:

a. manage and oversee 16 to 19 distance and whole programme provision through the life of each learner's programme of study.

b. define how whole programme subcontracting for AEB will be agreed and managed.

c. ensure apprenticeship provision is not delivered solely by a subcontractor, as per the apprenticeship funding rules with specific regard to substance, leading the relationship, and the subcontracted delivery complimenting the main provider's programme.

4: How these policies, including the rationale, are reviewed by the provider ahead of each Funding Year. Furthermore, the provider should demonstrate that the policies and rationale have been appropriately authorised through the organisation's governance structure. Once reviewed, updated policies must be published by 31 October in the relevant funding year.

5: Where appropriate, overall ownership of contract management across the organisation is clear, with a 'contract management senior responsible owner' with responsibility for driving organisation-wide contract management performance.

6: Contract management processes are aligned with, among others, wider organisational governance processes, operational boards, and risk structures.

7: Contract management issues and performance are reported through the governance structure with senior level engagement.

8: Regular assessment and evaluation must take place to ensure that the cost of contract management activities is justified and proportionate to the benefits obtained.

9: Knowledge management is embedded, capturing key data and lessons from contract management process and experience both within the organisation and more widely.

10: Professional contract management guidance is developed, or identified from external sources, and made available to contract managers.

11: An appropriate assessment to ensure extremist organisations are not funded through the subcontracting Department of Education funding.

6. People

In ensuring the right people are in place to carry out the contract management activities, the provider must demonstrate:

1: That either your business continuity / contingency plan incorporates the role of the contract manager(s)/ those with contract management responsibility (ideally through involvement during the tendering/contract award processes) or you ensure continuity by ensuring there are appropriate handover / information sharing procedures in place.

2: The contract manager(s) have a detailed knowledge of the contract and other relevant issues, such as service level agreements, requirements in line with ESFA contract and funding rules and current subcontractor performance.

3: The contract manager(s) have the appropriate skills (both specific contract management skills and more general commercial awareness and expertise), with access to relevant training and development. Experienced contract managers are utilised on key contracts.

4: Contract manager(s) have accurate job descriptions, roles are positioned at an appropriate level and salary, and there is a career path for contract management staff.

5: Contract manager(s) have clear objectives and reporting lines, and their performance is managed through reviews and appraisals.

6: The contract manager(s) have appropriate delegated authority to manage the contract effectively.

7. Administration

In managing the contract(s) and the timetable for making key decisions, the provider must demonstrate that:

1: Signed contracts are stored and logged and are easily accessible when required; for complex contracts, a summary and/or contract operations guide should be produced.

2: Key contractual information is recorded appropriately to allow, for example; search capability; documentation of up-to-date contract information; and key dates.

3: There are mechanisms in place for identifying key contract 'trigger points', such as notice periods.

4: There is schedule of regular as well as ad hoc reporting of contract management information and retention of appropriate documentation such as, minutes of contract meetings, reviews of teaching and learning etc.

5: There are appropriate processes and procedures in place to ensure that contracts are closed and/or terminated efficiently.

6: The provider has considered the cost of contract management activities to the subcontractor, and the cost is proportionate to the contract size and risk.

8. Managing relationships

The provider must have appropriate procedures in place to manage their relationships with subcontractors and be able to demonstrate that:

1: Proactive conversations and/or independent checks are undertaken in relation the subcontractor at least on an annual basis which cover and document as a minimum, the subcontractor(s):

a. current ownership and person of significant control. Notification must be made to ESFA where this has changed from a previous year. b. current/ latest financial health position. c. a review of learning activity delivered, including compliance with the relevant funding rules for each programme . d. the subcontractor(s) business continuity / contingency plan remains relevant or has been updated appropriately.

2: Their contract manager understands their own role and has clear visibility of the roles and responsibilities of staff on the subcontractor side.

3: The respective responsibilities of the contract manager and the subcontractor are clear, and potentially defined in a 'joint statement of intent' or similar document.

4: Continuity of key subcontractor staff is desirable (ideally through involvement during the sales process); where this cannot be achieved, there must be a handover from the staff responsible for the tendering process.

5: Both regular structured and informal communication routes between the contract manager and subcontractor are open and used; customer and subcontractor staff are co-located where appropriate.

6: Users are given clear expectations and an understanding of the contract and the services/ performance to be delivered (for example, through newsletters or briefings).

7: Communications between the contract manager, subcontractor, and other stakeholders (users of the contract and others such as technical experts) are effective; and stakeholders are involved in contract management processes where appropriate.

8: Problem resolution processes are well defined and used and are designed to ensure minor problems do not escalate and cause relationship issues; a 'blame culture' is avoided (for example, using a 'relationships charter' or similar document).

9. Managing performance

ESFA's expectation is that a prime will have processes and procedures in place to effectively manage subcontracted provision, you will be required to demonstrate that as a minimum:

1: Service management is well structured; baselines are understood by both parties, and subcontractors understand the service they are required to deliver. The contract manager ensures that the lead provider furnishes the subcontractor with the information and contacts needed to deliver the service.

2: A performance management framework is in place when the contract is signed. The framework is comprehensive, objective and provides incentives for the subcontractor to meet or exceed agreed performance standards.

3: Service levels agreements are in place, and are linked to business needs, understood by the subcontractor, and monitored by the contract manager and/or end users.

4: Subcontractor performance is assessed using clear, objective, and meaningful metrics, linked where appropriate to ESFA's funding rules and/or guidance.

5: Clear processes are in place to handle operational problem resolution and resolve issues as quickly as possible.

6: Where appropriate, user compliance with the contract is monitored and managed to ensure maximum operational effectiveness and value for money.

7: Regular and routine feedback is given to subcontractors on their performance.

8: There are clear contact points for service users both within the subcontractor organisation and with the contract manager. Users understand what the contract is intended to deliver and are involved in the assessment of subcontractor performance where relevant. Users understand escalation routes where issues arise.

9: Changes in user requirements are captured and considered as part of formal change and contract management processes.

10: There are formal performance reviews with subcontractors, with documented improvement plans agreed where necessary, covering both operational issues and adherence to key contractual requirements, for example, on data security.

10. Payments and incentives

ESFA's expectation is that a lead provider will have sufficient processes and procedures in place to effectively monitor the financial payments in relation to their subcontracted provision, you will be required to demonstrate that as a minimum:

1: Payment mechanisms are documented and are clear and well understood by all parties (including incentives, penalties, and non-standard charges).

2: Payment processes are well defined and efficient; appropriate checks and authorisation processes are in place for paying invoices.

3: The costs of the services delivered, and contract management costs are mapped against budgets and allocated appropriately.

4: Payment changes after the contract is let, for example from contract variations or benchmarking/ market testing, are made using contractual provisions and demonstrated to provide value for money.

5: Payments are not made in advance of evidence to demonstrate learning activity has been undertaken.

11. Risk management

In order to provide assurance to ESFA that you have effective risk management procedures in place to effectively manage the public money which is paid to subcontractors. As a minimum you will be expected to demonstrate:

1: Contractual/subcontractor risk management is in place with clear responsibilities and processes, identification of who is best placed to manage risk, and subcontractor involvement where appropriate.

2: Risks are formally identified and monitored regularly, with mitigating actions developed and implemented where possible, and 'obsolete' risks removed from consideration where appropriate.

3: Escalation and reporting routes are in place for risk governance.

4: Contingency plans are developed to handle subcontractor failure (temporary or long-term failure/default); exit strategies are developed and updated through the life of the contract.

5: Contractual terms around termination are understood and monitored by the contract manager.

6: Contractual terms around warranties, indemnities and insurance are understood and monitored by the contract manager.

7: Contractual terms around security and confidentiality are understood and monitored by the contract manager, particularly issues relating to the security/confidentiality of personal data.

8: Dispute resolution processes are in place, including agreed adjudication procedures, mediation, and arbitration.

9: The contract manager monitors the subcontractor's financial health and business performance (including using credit rating agencies).

10: The contract manager monitors the subcontractor's compliance with contractual 'non-performance' issues (for example, on tax and sustainability targets).

12. Contract development and/or termination

In order to ensure that changes to the contract or termination are handled appropriately and efficiently the lead provider must:

1: Undertake analysis of their subcontracted activity each year, to inform the progress made in their plans for a reduction across the 3-year period.

2: Regularly review the subcontract (with a view to updating where necessary) to ensure it meets evolving business and educational needs.

3: Ensure processes are in place that clearly lay out the governance of contractual change – who needs to approve what and how it will happen – with a focus on effective and prompt change implementation.

4: Ensure there are clear processes for the management of minor changes and contract variations, with a focus on the cost/effort being proportionate to the importance and value of the change.

5: Ensure there are more rigorous processes to handle major contractual changes, including clear approval mechanisms and accountabilities, and controls to demonstrate that changes offer value for money.

6: Where appropriate, undertake value for money testing of existing services through benchmarking or other processes.

7: Ensure there are processes to cover the introduction of new services under the contract, including market testing where necessary.

8: Have dispute handling processes in place to address any change related issues.

9: Have processes to account for various types of contractual changes. Both parties have a clear understanding of the arrangements for any extension of the contract (both scope and time) and related issues.

10: Ensure processes are in place to handle commercial (financial) changes to the contract in a fair and structured manner.

11: Manage price changes fairly and effectively with the use of mechanisms such as benchmarking, competitive tendering (for example, for major additional works), or other techniques such as open book pricing as appropriate, to demonstrate value for money.

12: Demonstrate their rationalisation of specifications and demand management are considered as options to achieve better value for money.

13. Provider development

Improving provider performance and capability is key to developing the relationship with subcontractors. Lead providers must demonstrate they have:

1: Processes in place that clearly set out how provider development activities will be planned, managed, and governed.

2: Clear processes for benefits measurement and capture are in place to ensure that provider development is focused on continuous improvement and achieving value for the lead provider.

3: The lead provider understands what motivates and drives the subcontractor and how provider development fits with the provider's goals.

4: Provider operational performance improvement activities (for example, 'Lean' and '6-sigma'), with potential input or assistance provided by the lead provider.

5: Joint working or shared activities between the 2 parties for the benefit of both the provider and subcontractor (for example, process improvement, shared training, task forces or joint project teams).

6: Provider improvement activities relating to wider government initiatives, with input or assistance provided by the lead provider (for example, on sustainability, disability employment issues, use of SMEs (Small and Medium Sized Enterprises) and BMEs (Black Minority Ethnic suppliers)).

7: Shared risk reduction programmes or activities.

8: Shared management activities (for example, provider boards) to drive performance improvement.

Appendix 1 (fees 2021/22)

Activity	Associated costs/ hour	Planned annual hours	How this will ensure quality outcomes	
Annual Due Diligence by relevant managers	£85/ hour	2	To ensure that the provider is meeting external quality assurances and meets the college requirements, in turn ensuring low risk	170
Awarding Body Registration and associated administration	£150	1	The college can ensure that the students are registered in a timely manner and can monitor external quality assurance processes.	150
Enrolment process	£35	3	The college can ensure that all students receive the same learner journey as all fulltime students. Any	105

			<p>funding/compliance checks can also be made to ensure that the college is compliant with funding and the students receive the best opportunity.</p>	
<p>time to undertake RED observation and Reobservations</p>	£85	4	<p>All subcontracting staff will undertake the colleges observation and associated professional learning. This will ensure that all students delivery is monitored and there is a culture of reflective practice and the sharing of pedagogy. If concerns surrounding delivery are raised, then the college will be able to action in a timely manner.</p>	340
<p>Management time to undertake quality meetings and activities</p>	£35	6	<p>The college manager needs to monitor all aspects of delivery to ensure that this is in line with expectations.</p>	210
<p>MIS time to ensure ILR compliance, including register</p>	£35	2	<p>The MIS manager will be able to monitor attendance data to</p>	70

entries and checking funding			ensure student engagement.	
Finance time to process and check payments	£35	1	To monitor financial activity and ensuring all financial activity remains at low risk, whilst ensuring sustainability of provision.	35