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# Subcontracting Fees and Charges 21/22

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## Policy

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# **Sub-Contracting Fees and Charges Policy 2021/2022**

## **1. Aim/Scope**

This policy applies to all sub-contracting activity that is supported with funds from the Education and Skills Funding Agency (ESFA) or any successor organisations.

This policy is a mandatory requirement which must be in place prior to the organisation participating in any sub-contracting activity which is funded by the ESFA.

The policy is effective from 1 August 2021. The content of this policy has been developed in line with the AoC/AELP Common Accord and the ESFA funding rules.

This Policy is published on the JM Excellence Training (JMET) website and is reviewed on an annual basis.

## **2. General Policy statement and objectives**

JMET is committed to being the provider of choice for all employer engagement and work-related training. The organisation has taken the strategic decision to work with high quality sub-contractors to complement the existing provision offered by JMET in order to respond to emerging opportunities and meet the needs of learners and employers across a broad range of sectors.

JMET will ensure that: -

- Sub-contracting activities comply with the principles of best practice in the skills sector
- robust due diligence procedures on potential sub-contractors are in place to ensure compliance with the Common Accord at all levels and provision of the highest quality of learning delivery
- there is a legally binding agreement in place with all sub-contractors
- Sub-contractors demonstrate value for money and a positive impact on learners and employers
- the funding which is retained by JMET will correlate to the costs of the services provided. The rates of such retained funding will be commercially viable for both JMET and the sub-contractors and will be negotiated and agreed in a fair and transparent manner, proportionate to the actual services being provided and will be documented as being justifiable and reasonable in the circumstances

## **3. Guidelines**

### **3.1 Rationale for Subcontracting**

JMET engages with sub-contractors in order to better meet the needs of learners and employers, enhancing the opportunities available to learners in Wirral Borough and the wider Liverpool City Region (LCR).

JMET currently has only two sub-contractors.

- Asset Training - providing a niche and unique approach to provision.
- Wirral Metropolitan College - developed over time, to respond to the needs of employers and to explore and embrace the synergy that is afforded from a partnership between a Private Training Provider and a College delivering employer led provision.

Reasons for sub-contracting are varied but could include, and are not limited to:-

- temporary expansion of the provision to meet a short-term need.
- provide immediate provision in response to employer demand whilst expanding direct capacity;
- provide access to, or engage with a new range of customers
- ensure delivery intent is met
- provide niche or expert delivery outside of existing direct capacity
- ensure that access to training facilities are widely available to learners
- support employers and learners with a wide geographic requirement
- work with employers in a range of sectors to provide pathways to employment.
- help employers to recruit and train new staff or provide progressions pathways for existing staff to learn new skills and develop their career and progression.
- offering flexibility in delivery of provision at times and venues convenient to learners and employers that may be beneficial to disadvantaged groups or learners who may share protected characteristics

### **3.2 Quality assurance**

The Training Director is responsible for ensuring that high quality provision is delivered by all sub-contractors and has ultimate responsibility for monitoring the quality of this provision.

JMET's quality assurance procedures and processes apply to all sub-contracting activities.

JMET will support, develop, and share good practice with all sub-contractors in order to secure continuous improvement through quality reviews, compliance visits, monitoring meetings, observations of teaching and learning and learner and employer feedback.

### **3.3 Management Fees**

JMET's management fee will typically vary between 10% and 25% of all funding received for the provision to be delivered.

The agreed management fee will be dependent upon the activities being undertaken and the level of support required in order to maintain provision of the highest quality.

Target learner numbers, previous experience, achievement rates and the level of risk determined by the due diligence process will also be taken into consideration when determining the management fee.

The management fee represents the cost which JMET incurs in effectively identifying, selecting, and managing all of its sub-contracted provision. The fee also represents the support given to the sub-contractor by JMET to ensure that learners have the optimum chance of success, all funding is claimed and compliant within the rules laid out by the Funding Agencies

### **3.4 Support for Sub Contractors**

The precise support given to each sub-contractor will be negotiated during the procurement and contract phase and may include but is not limited to: -

- Provision of all relevant contract documentation to enable delivery.
- Observation and/or participation in Careers Information, Advice and Guidance (CIAG) enrolment and examination sessions
- Support elements of delivery of programs to learners

- Support, mentor and shadow sub-contractors' staff to ensure delivery and quality of programme
- Monitoring of contract performance, to include on site monthly visits, monthly checking of MIS data and claims, interim support visits, observations of delivery staff.
- Review of contract quality via quarterly reviews, termly Performance reviews and on-site quality audits.
- Regular reports including progress monitoring, achievement, and financial performance
- Support with staff development opportunities, and facilitation of shared good practice opportunities.
- Contract evaluation, to include annual self-assessment and audit, end of contract review, planning future sub-contracting arrangements/opportunities.
- Support for students, including safeguarding.
- Ongoing support to address any areas for improvement or of concern

### **3.5 Support for employers**

The precise support and services that JMET will provide when sub-contracting any element of provision on behalf of an employer will be clearly identified in the procurement and contract phase and may include but not limited to: -

- Provision of all relevant contract documentation to enable delivery and meet the employer requirements and standards.
- Act as first point of contact between the employer and sub-contractor to address and resolve any potential issues and/or disputes
- Support, mentor and shadow sub-contractors' staff to ensure delivery and quality of programme
- Monitoring of contract performance, to include monthly visits, monthly checking of data and claims, interim support visits, observations of sub-contractor staff.
- Review of contract quality via quarterly reviews, termly Performance reviews and on-site quality audits.
- Support sub-contractors with staff development opportunities, and facilitation of shared good practice opportunities.

### **Additional Support for Subcontractors.**

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

- Additional site visits
- Additional lesson observations
- Additional tutor support
- Additional internal verification

### **Additional Services for Subcontractors.**

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

- Awarding Body fees and charges
- Internal verification
- Hiring of facilities/equipment

### **3.5 Payments**

Payments due to the sub-contractor will be calculated on a monthly basis following the Individual Learner Record (ILR) upload. Payment will be made to the sub-contractor in accordance with the contractual arrangements.

### **3.6 Funding Data**

Data regarding the actual level of funding paid and retained for each sub-contractor will be made available according to the ESFA requirements.

### **3.6 Policy Review**

This Policy will be reviewed in an annual basis and updated as required

### **3.7 Communication**

This policy is available on JMET website at <https://JMET.org.uk>  
Potential sub-contractors will be directed to it as a starting point. It will also be referred to with current sub-contractors during review meetings.