



## **CALAT (Croydon Adult Learning and Training) Subcontractor Management Fee Policy 2016 / 2017**

### **Overview**

CALAT (Croydon Adult Learning and Training) is a direct delivery service within Croydon Borough Council providing adult and community learning for adults living and working within and beyond Croydon.

#### **CALAT's vision**

We aim to enrich the lives of adults of all ages, abilities and backgrounds enabling them to reach their full potential through learning and education. We focus on supporting adults to achieve success in learning, improve their skills for employment, and contribute to their personal and family lives. Empowering learners is at the heart of everything CALAT does.

CALAT operates as a Lead Provider where the majority of provision is delivered in-house by CALAT and an agreed proportion of the funding is delivered via sub-contracted organisations through a national framework of approved providers.

The policy relates to activity funded through the Skills Funding Agency and any other government funded provision whereby CALAT enters into a subcontracting agreement with a supplier to deliver activity. This policy is effective from 1st March 2015.

This policy will be reviewed at least annually and is published on CALAT website [www.calat.ac.uk](http://www.calat.ac.uk).

### **Purpose of Policy**

The purpose of the policy is to ensure the effective management of sub-contractors to reduce and mitigate against potential risks to CALAT and main contractor funding bodies. It also sets out a framework for improving the quality of Teaching and Learning for both CALAT and the sub-contractor. The policy and processes also adhere to the following underlying principles:

- To ensure compliance with all legal and contractual requirements
- To achieve value for money
- To conduct all activities in a collaborative manner with integrity at all times
- To apply open, fair, transparent and non-discriminatory practices
- To undertake a thorough risk assessment of the full supply chain and manage any risks accordingly

### **Sub-contractor Approval and Due Diligence**

Prior to any delivery, all sub-contractors undergo a comprehensive Due Diligence tender process, in compliance with London Borough of Croydon's (LBC) procurement procedures. Subcontractors are selected on the basis of their financial viability, track record, the type of provision being delivered, quality assurance framework and location to ensure CALAT is able to effectively respond to employer and learner demand whilst reflecting local skills priorities.



## **CALAT (Croydon Adult Learning and Training) Subcontractor Management Fee Policy 2016 / 2017**

A two stage application process will be implemented that all subcontractors will need to successfully pass in order to be offered a contract.

### **Stage One:** Open Tender onto LBC's eTendering portal

All applicants must successfully pass the open tender process and be accepted onto the list of approved providers to succeed to the second stage.

An approved sub-contractor list will be maintained which will record any organisation that has successfully completed the first stage. All organisations within this list will be required to ensure their information is updated annually or as directed by CALAT.

Potential sub-contractors can apply through Stage One, only when a LBC tender is announced as open, to be placed on the approved sub-contractor list. Passing this stage will not guarantee an offer of a delivery contract.

This process will consider the organisational level due diligence that must take place which will include specific organisational details and a review of financial health, policies, insurance and overall quality.

### **Stage Two:** Delivery Contract Level Approval

The Stage Two application process relates to a specific application or request to deliver a sub- contract and constitutes a mini competition i.e. CALLOFF.

It is the responsibility of CALAT to decide the most appropriate method of procurement which will take into account the specific contract requirements and timescales.

CALAT will also ensure that the process complies with any legal requirements. This process will consider the contract level due diligence that must take place which will take into account the following:

- Capacity to Deliver
- Ability to Deliver including approval of CVs and qualification evidence for delivery staff
- Organisation track record including success rates and retention
- Quality Improvement and Self-Assessment Reports
- Proposed delivery model size of contract allocation
- Geographical coverage

### **Risk Management**

At each stage of application the organisation will be risk assessed by CALAT and given a scoring that will take into account the results of the due diligence checks and give consideration to the specific contract being offered. The risk score will also be used to inform the management and monitoring arrangements as well as to assess any additional fees or charges that should be applied.



## **CALAT (Croydon Adult Learning and Training) Subcontractor Management Fee Policy 2016 / 2017**

### **Sub-Contractor Management and Monitoring**

Each sub-contractor will have an identified main point of contact for administration and management which is specific to the contract being delivered.

An agreed reporting structure for each contract will be developed and based on contract requirements and subcontractor risk assessment. As a minimum each sub-contractor will be subject to annual formal reviews and announced and unannounced spot checks and audits during the life of the contract.

CALAT will manage and monitor sub-contractors to ensure that the following standards are met:

- The sub-contractor is demonstrating value for money
- The sub-contractor is compliant with all contract requirements
- The sub-contractor is delivering a quality programme
- The sub-contractor continues to meet the minimum requirements to pass the Stage One application process.
- The sub-contractor is achieving the minimum standards of performance.
- Further commissioning of supply services will not be permissible without the approval from CALAT which will give due consideration to any specific contract requirements.

### **Management Fees**

The management fees charged by CALAT cover all activity undertaken by CALAT in support of the sub-contractor with the exception of services listed under 'Additional Services'.

The standard fixed management fee that will apply to sub-contracted activity will be 20%. The level will be decided by CALAT based on any specific contractual requirements.

Activities undertaken by CALAT as part of the management fees include:

- Due Diligence
- Support Risk Management
- Contract Compliance Advice and Guidance on Funding Audit Compliance
- Data management
- Document retention
- Training as required on processes, sector information, funding and other updates etc



## **CALAT (Croydon Adult Learning and Training) Subcontractor Management Fee Policy 2016 / 2017**

A further management charge may be applied where a sub-contractor has a high risk score and additional controls are required to manage and monitor the sub contractor's performance.

Further management charges may be mutually agreed between CALAT and the sub-contractor as a one off fee or as a percentage of contract value. This will be dependent upon the contract in question. Additional charges may also include contingency fees.

Management fees will be deducted at source, i.e. subcontractors will receive a minimum contract value (MCV) from CALAT that reflects their available funds to spend.

Any management fee will have been deducted prior to this allocation. CALAT will make monthly payments to subcontractors based on the correct submission of data and supporting evidence to validate learning delivery.

All funding claims must comply with the current Skills Funding Agency or other funding bodies funding rules and the terms of the agreement between CALAT and the sub-contractors. Where funding claims cannot be substantiated, CALAT will adjust or reclaim any funds from the sub-contractor, and, where required, make an appropriate repayment to the Skills Funding Agency.

### **Sub-contractor Support and Capacity Building**

CALAT has a responsibility to support all sub-contractors to develop and deliver high quality provision that meets the needs of learners and exceeds the expectation of employers and learners. The management fee deducted from allocated funds is used directly to provide a comprehensive programme and support and compliance measures to ensure that public funds are protected and used effectively and that sub-contractors are supported to develop their provision and extend their businesses in a sustainable manner.

The exact mix of support will vary dependent on the needs to individual sub-contractors, but all organisations can expect to benefit from the following;

- 24+ Loans Implementation advice and access procedures through CALAT
- Apprenticeship improvement programme
- Functional Skills overview training
- One to one management meetings to improve performance
- Support for employer recruitment via The Apprenticeship Works
- Health & safety training
- Support for learner recruitment via The Apprenticeship Works
- Support for learner and employer voice strategies
- Preparation for external inspection including IV meetings, EV Reports, SAR and QIP training.
- Quality support including briefings, inspections and sharing of good practice
- Employer and learner feedback surveys
- Self-Assessment & Quality Improvement Support
- Teaching & Learning Observations (inc Paired Observations)



## **CALAT (Croydon Adult Learning and Training) Subcontractor Management Fee Policy 2016 / 2017**

### **Payment Terms**

CALAT will make payment to sub-contractors on 26th of each month for the previous month.

Payment is subject to the correct evidence and data being provided to CALAT by the agreed monthly deadline.

Adjustments may be made to specific payments where evidence of eligibility, participation or achievement cannot be validated by CALAT. Any amendments will be based on guidance provided by the current version of the SFA Funding Rules or other relevant funding body.

### **Policy Review & Publication**

The policy will be reviewed annually in July of each year, and any changes notified to sub-contractors as part of either a regular contract review or via separate correspondence. The policy will be published on CALAT's website and Croydon's SharePoint.