

## **Subcontracting Policy**

### **A) INTRODUCTION**

#### **Purpose**

The purpose of this document is to outline Genesis Training Group's approach to the selection and management of sub-contracted providers.

This policy should be read in conjunction with other Genesis Training Group policies and procedures and the sub-contract.

The purpose of this policy is to define the basis on which any subcontracting arrangements will be managed. Where appropriate, Genesis Training Group will contract with other parties to deliver programmes and activities funded by the government through its funding bodies. The organisation with which it contracts will be subject to the requirements set out below.

#### **Scope**

The Subcontracting policy will be communicated via the Contracts Manager to all sub-contracted provision. This policy will be published on Genesis Training Group's website and will be reviewed at least annually.

#### **Responsibility**

Responsibility lies with the Senior Management Team to ensure that the Subcontracting policy is implemented and adhered to.

#### **Entering sub-contracting arrangements**

Genesis Training Group is committed to growing and diversifying the range of programmes and services it delivers to widen participation, engage in new and emerging markets and to support the needs of the local, regional, and national strategies.

This approach will also allow us to reach out to under-represented groups, making us a more inclusive organisation. To achieve this, Genesis have taken the strategic decision to subcontract part of our provision to partner organisations that will demonstrate high quality delivery and enable sharing of good practice.

All potential subcontract arrangement must be signed of by the Board and recorded within Director's meeting minutes accordingly.

Genesis subcontracts Adult Education Budget for three strategic purposes:

1. Where Genesis Training Group has identified a need for provision that it does not currently deliver, and that provision will enable Genesis to offer a broader range of courses to a greater number of residents in the localities it serves.
2. Where Genesis Training Group identifies local community provision which engages local, harder to reach residents who would benefit from such provision.
3. Where Genesis Training Group has engaged with employers who operate in multiple localities that Genesis does not currently serve, it will appoint subcontractors in those localities so it can offer a comprehensive service to those employers.

## **B) FEES**

The management fee is negotiated individually with each sub-contractor and is normally 20% depending on level of need and support.

A penalty will be applied if the sub-contractor's success rates do not meet minimum levels of performance. These will be set annually by Genesis Training Group and will consider the minimum levels of performance set by the Skills Funding Agency.

This penalty may also apply if the sub-contractor:

- Receives a Grade 4 for teaching, learning and assessment and other key learner experiences
- Has an internal audit error rate over 5%
- Has inadequate safeguarding procedures

## **C) SELECTION**

Upon request to subcontract with Genesis Training Group, the subcontractor will arrange to meet with Genesis Training Groups Managing Director and/or Operations Director to discuss the purpose for subcontracting and identify needs to subcontract, as defined above.

No agreements for subcontracting will be made between Genesis Training Group and the potential subcontractor until pre-contract and due diligence checks have taken place and the subcontractor has been deemed high quality and low risk.

The Operations Director will inform the Contracts Manager and Quality Manager of any potential subcontractors and contract values, to enable pre-contract checks to take place.

Potential subcontractors that are not listed on the Register of Training Organisations must not be appointed if they already hold contracts with an overall value of £100,000 or above per academic year with one or more directly funded providers, or if the subcontract from Genesis, would take the total value of their contracts over £100,000. In such cases, the potential subcontractor must be listed on the Register before any discussions can take place to subcontract with Genesis Training Group.

We will only award contracts for delivering funded provision to legal entities. If the legal entity is a registered company, it must be recorded as 'Active' on the Companies House database.

We will not award a contract to a legal entity if:

- It has an above average risk warning from a credit agency.
- It has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed,

or

- Its statutory accounts are overdue.

## **D) PRE-CONTRACT CHECKS**

All potential subcontractors will undergo rigorous due diligence checks prior to any contracts being signed. These checks will include, but not limited to:

- Details of Partners/Directors, contact names and addresses and company registrations
- Financial viability health checks
- Relevant policies and procedures
- Details of other funded contracts
- Schemes of Learning for proposed programmes
- Schedules and findings of observations of teaching, learning and assessment

- Details of premises and resources to support proposed training
- Risk assessments for delivery locations
- Details of any accreditations and latest awarding body reports
- CVs including professional qualifications and DBS checks of all staff
- CPD records for all delivery staff
- Evidence that staff have undertaken Safeguarding, Prevent and equality & diversity training
- Data protection processes and policies, including GDPR compliance

Contracts will not be issued to subcontractors where the financial checks have been failed.

Completion of a due diligence checklist will be required by all potential subcontractors. The due diligence checklist, requested documentation and an example copy of a contract, must be supplied by, and returned to, the Contracts Manager and the Quality Manager.

The Contracts Manager and Quality Manager will collect and review all documentation provided by the potential subcontractor.

The Quality Manager will assign a member of the quality team to arrange a quality monitoring visit with the potential subcontractor. This visit will be to:

- Review the effectiveness of quality systems and processes
- Verify assessment practices and standards (Awarding body reports)
- Effectiveness of delivery methodology, to include: Observation of Teaching, Learning and Assessment, sample observation reports, learner and stakeholder views
- Conduct an observation of teaching and learning/work scrutiny (if appropriate)
- Ensure staff hold/or are working towards the relevant qualifications required for the delivery of potential provision
- Review the arrangements in place to support functional skills deliver (if applicable)
- Review compliance with contractual and funding requirements
- Review the effectiveness of self-assessment and quality improvement planning
- Analyse complaints and safeguarding concerns
- Review use of learner and employer feedback and how it is gathered by the potential subcontractor
- Identify potential training requirements
- Review Ofsted readiness
- Ensure GDPR processes are being maintained
- Determine risk rating of potential subcontractor and identify any significant issues which may impact on the delivery of the potential planned provision

Risk rating will be identified by a RAG rating system. This will indicate whether the potential subcontractor is low (Green rating), medium (Amber rating) or high (Red rating) risk. This is determined by the overall effectiveness of the potential subcontractor following the outcome of the quality visit.

If it is identified that the potential subcontractor has development needs, a development plan must be agreed and put into place.

The Quality team member will complete the due diligence document and store this securely, as well as documentation requested

The Quality team member must inform the Operations Director and Contracts Manager of the outcome of the quality monitoring visit. This will include risk rating, development plans and any concern's relating to the potential subcontractor.

The Development plan and/or contract agreements may then be agreed. If the contract is not agreed at this time, the Contracts Manager will communicate the decision to the potential subcontractor. If applicable, another quality visit will be arranged by the quality team to provide an update on development plan activities and review the risk rating, based on any improvements made by the potential subcontractor.

## **E) CONTRACT AGREEMENTS**

Genesis Training Group's Managing Director and Operations Director will discuss and agree contract agreements for the subcontractor.

The Contracts manager will then issue the legally binding contract to the subcontractor. The contract must be signed by an eligible member of the senior management team within the subcontractor and Genesis Training Group's Managing Director/Operations Director.

Contract content must include, but not limited to:

- Agreed funding allocation and management fee
- Internal process expectations for observations, CPD and training
- Performance monitoring procedures
- Data reporting
- QIP/SAR expectations
- Admin processes for submitting learner and employer paperwork (to include dates/frequency of submissions and any potential impact on payment should deadlines not be adhered to)

- Process for recording, submitting and processing early leavers
- Specific arrangements for the delivery of Functional Skills, if applicable
- Learner feedback collection targets of 80% of completions
- Completion of subcontractor learner and employer forums
- Target of >90% overall achievement rates, if applicable
- Target progression rates of >50% to positive outcome
- Target audit error rate of less than 5%
- Expectations of grade 2 or above in the event of an Ofsted inspection and/or external audit
- Awarding body arrangements and notifications - risk rating change and/or DCS withdrawal
- Complaints, H&S, safeguarding incidents and data protection breaches reporting arrangements to Genesis Training Group
- Procedures in the event of suspension and/or withdrawal of contract
- Renewal terms of the yearly contract

Signed and agreed contracts will be held within the contracts department.

## **F) PERFORMANCE MONITORING AND CONTINUOUS QUALITY IMPROVEMENT**

Genesis Training Group is committed to supporting all Subcontractors to develop and deliver high quality provision through robust quality assurance and improvement processes, to ensure that public funds are protected and used effectively to deliver high quality provision for learners and employers.

To ensure that subcontractors are performing to an agreed standard, the following key performance data will be closely monitored:

- Achievement rate data across all relevant SSA's (to include review of early leavers and learners passed or approaching end date)
- Revenue (profile against allocation)
- Progress data
- Observation/work scrutiny data
- Deep dives
- EDIMs data
- Learner feedback data
- Development plan updates
- Internal Audit Reports
- External audits and/or awarding body visits where applicable
- Complaints, safeguarding, H&S and data protection incidents

The above areas will be reported at the monthly Director's meeting and any concerns will be identified and addressed by the contracts and quality teams with the subcontractor.

Genesis Training Group will conduct learner and employer forums. This can be conducted as part of observations and/or over the telephone. Subcontractors will be required to conduct their own learner and employer forums and the results must be shared with Genesis on request.

Quality monitoring from Genesis Training Group will take place throughout the contract year at the subcontractor premises or virtual. The frequency of these visits will be dependent on the risk rating given at the previous quality check and can be unscheduled:

**GREEN** – Subcontractors will receive quality monitoring (minimum of 2 per year) and will be subject to yearly approval/due diligence checks

- Effective systems for measuring the quality of teaching, learning and assessment for all tutors/assessors are in place and provides the appropriate supporting evidence
- All due diligence checks are completed and approved
- Internal audits and compliance checks are good
- Staff are attending sufficient CPD and standardisation activity
- Learner satisfaction rates are good
- Subcontractor is achieving or exceeding all agreed KPIs (e.g. success rates)
- All awarding body requirements are met and are of DCS status (where applicable)
- OFSTED grade is at least grade 2 (where applicable)

**AMBER** – Subcontractors will need to complete an appropriate action/development plan within the agreed timeframes and will be subject quarterly quality monitoring

- Systems for measuring the quality of teaching, learning and assessment for tutors/assessors are in place but may not be effective or provide satisfactory evidence
- Most due diligence checks are completed and approved
- Internal audits and compliance checks are at least 'requires improvement'
- Staff are attending some CPD and standardisation activity.
- Learner satisfaction rates are at least 'requires improvement'
- Some KPIs are being achieved (e.g. success rates)
- Most awarding body requirements are met and are of DCS status (where applicable)
- OFSTED grade is a grade 2 (where applicable)

**RED** – Subcontractors will need to complete an appropriate action plan within the agreed timeframes and will be subject to a high frequency of quality monitoring. Delivery may be temporarily suspended until action plan is completed and achieved.

- Systems for measuring the quality of teaching, learning and assessment for all tutors/assessors are not in place and do not provide any evidence
- Due diligence checks are not completed and subject to approval
- Internal audits and compliance checks are at least requires improvement
- Staff are attending no CPD and standardisation activity.
- Learner satisfaction rates are at least requiring improvement
- KPIs are on the whole not being achieved (e.g. success rates)
- Awarding body requirements are not being met and are not DCS status (where applicable)
- Some Academy course success rates are at/above national average
- OFSTED grade is grade 3 (where applicable)

Should a subcontractor receive a risk rating of red, The Managing Director, Operations Director, Quality Manager and Contracts Manager must be informed, and sections G and H of this policy must be followed, dependent on the rationale for the risk rating.

Subcontractors will be RAG rated after each quality visit based on key performance data.

Frequency of quality visits can be changed based on concerns from any of the key performance data reporting or because of concerns raised during a quality visit.

External audits may be conducted by awarding bodies and/or the Skills Funding Agency during the contract year. In the event of an audit, subcontractors affected must notify the Contracts Manager if the provision is part of their contract with Genesis Training Group. If paperwork requested is kept on the subcontractor premises, Genesis must arrange for this to arrive no later than 3 days prior to the external audit.

In the event of an Ofsted inspection, the quality team must inform subcontractors and request a schedule of activity taking place during period of inspection at the subcontractor's premises. These schedules must be added to Genesis Training Group's full schedule of activity. The subcontractor must cooperate fully and in a timely manner following any requests for information.

## **G) DEVELOPMENT AND ACTION PLANNING**

Development plans will be implemented should a subcontractor fail to meet KPI's outlined in their contract or where standards fall below minimum expectations.



Development actions may be identified following a quality monitoring, review of KPI data or following the results of a recent external audits/visits.

Formal Action plans will be instated where a subcontractor has failed to address actions from development plans or due to significant failure in meeting KPI's as outlined in the subcontractors' contract.

The subcontractor must inform Genesis Training Group if they cannot fulfil the required actions for any reason.

A member of Genesis Training Group's quality team will monitor the progress and completion of any development or action plan that is in place. This will require quality monitoring where a member of the quality team will review the evidence on site or remotely.

A development plan and/or action plan, will only be signed off once Genesis is satisfied that all actions have been addressed and there is clear evidence in place, demonstrating ongoing monitoring of the areas identified.

## **H) SUSPENSION OF CONTRACT TERMS**

Genesis Training Group can suspend a subcontractor's contract should any of the following occur:

- Red RAG rating given, following quality visit
- Failure to comply with a Formal Action Plan
- Breach of contract terms and conditions
- Following Ofsted inspection, the subcontractor is graded as inadequate
- Following significant failure of an external audit or awarding body visit
- On receipt of a serious complaint/feedback
- Where fraudulent activity is suspected
- Data protection breaches and investigation

In the event of the any of the above, a quality team member must inform Genesis Training Contracts Manager and Operations Director of possible suspension of contract. The Contracts Manager and Operations Director will investigate and make the final decision on suspending contract terms or moving to withdrawal of contract, further detailed in section H of this policy.

Timescales must be communicated to the subcontractor on when the decision to suspend contract terms may occur.

The subcontractor must fully co-operate, with any investigations and/or discussions necessary for the Contracts Manager and Operations Director to arrive at their decision.

The outcome of the investigation must be communicated to the subcontractor in writing detailing actions required by the subcontractor and the relevant timescales involved.

## **I) TERMINATION OF CONTRACT TERMS**

### **1) Voluntary withdrawal of contract terms**

Should a subcontractor wish to terminate their agreement with Genesis Training Group, they must do so in writing to the Contracts Manager with proposed timescales. The Contracts Manager must inform the Quality team and Operations Director of the subcontractors' intention to withdraw from their contract terms.

The subcontractor must fully cooperate with Genesis, to ensure that there is no negative impact on the learners under the subcontracted provision.

The subcontractor must inform learners and employers of their intention to withdraw from Genesis Training Group's funding and that Genesis will contact them in due course to ensure that their learning is not affected by this change.

Paperwork stored on the subcontractor's premises must be returned to Genesis and a 100% audit must be conducted to ensure all paperwork is present and RAG rated as Green. This may require Genesis Training Group to withhold any monies due to the subcontractor until full assurance has been gained.

### **2) Enforced withdrawal of contract terms**

Genesis Training Group will enforce a withdrawal of contract terms should any of the following occur:

- Mutual agreement to end contract between Genesis and subcontractor
- Serious breach of contract terms and conditions including serious data protection breaches
- Continuous underperformance of set KPIs
- Subcontractor declares company liquidation

The subcontractor must fully cooperate with Genesis, to ensure that there is no negative impact on the learners under the subcontracted provision.

The timescale will be communicated by Genesis Training Group to the subcontractor in relation to final enrolment dates, delivery dates and final paperwork submission dates.

Genesis Training Group will inform learners and relevant employers of their intention to withdraw the contract from the subcontractor.

Paperwork stored on the subcontractor's premises must be returned to Genesis Training Group and an 100% audit must be conducted to ensure all paperwork is present and RAG rated as Green.

## **J) RE-CONTRACTING**

Where a subcontractor wishes to continue to subcontract from Genesis Training Group, the process outlined within this strategy will be followed for every funding year.

## **K) CONTINGENCY PLAN**

Subcontracted Learners will be supported by Genesis Training Group in the event of:

- Genesis Training Group needing to withdraw from a subcontracting arrangement
- A subcontractor withdraws from an arrangement
- A subcontractor goes into liquidation or administration

A contingency plan will be agreed taking account of the circumstances that caused the subcontractor to no longer be able to deliver services to learners. All learners are the responsibility of Genesis Training Group, and their interests will form the focus of any contingency plan.

The Operations Director will convene a planning meeting with the Subcontractor's Management Team. Information on the reasons and circumstances that affect the delivery of the subcontract will be gathered prior to this meeting. Information from the subcontractor should be gathered to clarify severity of risk and timescales.

An action plan will be implemented in a timely manner and must cover the following:

- Securing relevant documentation from the subcontractor in relation to the contract and learners
- Defining how learners will be supported to enable them to complete their learning
- Identifying timescales and responsibilities for implementing the contingency plan.
- Communicating proposed plan to learners and (where applicable) employers

There are different options that may be considered to ensure that learners are supported to complete their learning:

- Short term delivery by an existing subcontractor to ensure learners are supported to achieve
- Engaging with another subcontractor to ensure learners are supported to achieve.
- Genesis Training Group directly delivering to ensure learners are supported to achieve

The interests of learners will be a primary consideration and actions will be monitored and reviewed on a regular basis to ensure successful implementation.

### Version Control

| Version History | Content Changed |
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| 1 – May 2022    | Policy produced |

### Review and Ratification

| Next Review Date | Reason for Review |
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| May 2023         | Full review       |

**Dated:** May 2022

**Signed:** 

**Name:** Joseph Lennard

**Position:** Operations Director