Crosby Aviation Training Ltd

Annex 20 – Subcontracting

Purpose:

The aim of the Quality Management System Manual is to enable Crosby Aviation Training (CAT) to have a systematic approach to ensure that the QMS is regularly checked to maintain currency and reflect existing working practice and current legislation.

Owner: Gemma Aiuto-Turner
CEO

Record of Amendments

Issue	Detail of Change	Issue Date	Review Date	Name & Signature
1.0	Initial Issue	May 25	May 26	Gemma Aiuto-Turner

Scope and Application

CAT's mission is to provide the highest quality education, training and support services for all its learners. This Policy is aligned to CAT's mission and strategic aims and objectives.

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1. **Statement of Intent**

This policy outlines the commitment of CAT to the effective management and delivery of apprenticeship training through subcontracting arrangements. Our intent is to ensure high-quality training and assessment while promoting transparency, compliance with regulatory requirements, and enhancement of learners' experiences. We aim to work with reputable subcontractors who share our values and dedication to continuous improvement and quality assurance in apprenticeship delivery.

This policy ensures that all subcontracting activities align with our mission, strategic objectives, and regulatory requirements set by the DfE.

The key objectives for subcontracting is to enhance the learning opportunities: Subcontracting aims to enhance the quality, reach, and impact of our educational provision, ensuring positive outcomes for learners and employers.

2. Roles and Responsibilities

- Senior Management Team: Responsible for the overall governance of subcontracting arrangements, ensuring compliance with legal and funding body requirements. They will ensure that appropriate due diligence is carried out and that strategic objectives are met through subcontracting.

- Relationship Manager: Oversee the operational delivery of subcontracted services, managing relationships with subcontractors, and ensuring that they meet performance expectations. This role will coordinate regular communication and ensure all subcontractors are provided with the necessary support and resources.

- Quality Assurance Team: Responsible for monitoring and evaluating the quality of provision delivered by subcontractors. This includes conducting reviews, observations, and audits to ensure compliance with CAT standards and continuous improvement in training services.

- Subcontractors: Accountable for the delivery of high-quality training in accordance with agreed contracts, performance standards, and regulatory requirements. They must provide timely data and feedback to facilitate effective monitoring and evaluation by CAT.

3. Arrangements

Subcontracting arrangements will be entered into through a formal contractual agreement outlining all expectations, responsibilities, and performance indicators. All subcontractors must comply with CAT policies, funding body regulations, and relevant legislation. Key arrangements include:

- Due Diligence: Prior to entering into any subcontracting agreements, a thorough due diligence assessment will be completed, to ensure the capacity, quality, and reputation of potential subcontractors.

- Performance Management: Regular performance reviews will be conducted to monitor subcontractor delivery against agreed benchmarks (at least annually). Performance data will inform discussions on continuous improvement and support needs. Performance Management includes;

1. Audits include:

- Review of learner files and documentation.
- Discussions with tutors/trainers and learners.
- Checks on attendance registers and resource adequacy.
- Verification of learner progress and outcomes.

Sampling and Processing:

- A 100% audit will be carried out for all learner starts and leavers, whether negative or completions.
- Mid-point funding audits will be conducted on a sample basis.
- Audit errors will be reported to the subcontractor and must be resolved before processing can continue.
- Documents with unresolved audit risks may be held back from processing.

Follow-Up and Reporting:

- A detailed audit report will be issued within two weeks of the audit visit.
- Action plans will be developed where necessary to address identified issues.
- Data Integrity and Funding Controls:
- Quarterly evaluations to prevent double funding.

2. CAT maintains a proactive observation schedule to ensure high standards in the delivery of teaching, learning and assessment.

- Observations will be scheduled.
- Upon request subcontractors are to provider a teaching schedule to facilitate planning of

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observation activity.

Observation Criteria and Process:

- Observations are carried out by CATs Quality Leads, Curriculum Specialists or Quality Specialists.
- Delivery is evaluated in a fair and just way to encourage continue development.

Evaluation Criteria:

- Teaching Quality: Assess the quality of teaching and learning.
- Learner Engagement: Evaluate learner engagement and participation.
- Assessment Standards: Ensure assessments meet required standards and are conducted fairly. Post-Observation Action:
- Action plans are created following observations to support continuous improvement in teaching and learner engagement.

Setting and Monitoring Performance Targets:

- Annual Targets: Set annual performance targets for retention and achievement rates.
- Monthly Monitoring: Monitor performance against targets on a monthly basis.
- Early Intervention: Provide early intervention and support if subcontractors fall below agreed performance targets. Intervention and Improvement Plans:
- Notice to Improve: Issue a notice to improve if performance targets are not met.

3. Support and Training:

Offer support and training to help subcontractors improve their performance.

- Regular Reviews: Conduct regular reviews to monitor progress and ensure continuous improvement. Subcontractors will be required to produce an annual Self-Assessment Report (SAR) and a Quality Improvement Plan (QIP) aligned with CAT quality assurance cycle. These documents will be reviewed as part of performance monitoring and used to inform action planning and support.

- Communication: Regular meetings will be scheduled with subcontractors to foster collaboration, share best practices, and address challenges.

- Feedback Mechanisms: Surveys and informal feedback from apprentices and stakeholders to inform any necessary adjustments.

Staff Requirements and Development

CAT expects all subcontracted provision to be delivered by qualified, competent, and experienced professionals who meet sector-specific requirements and maintain up-to-date

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professional practice.

Staff Qualifications:

- Teaching staff must be appropriately qualified to deliver high-quality, engaging learning experiences.
- Assessors must hold a recognised assessor qualification or equivalent, aligned with the assessment strategy for the qualification they are delivering. Where assessors are working towards this qualification, they must achieve it within 18 months of the contract start date.
- Staff undertaking internal quality assurance or lead assessor duties must hold a CAVA Level 4 (or equivalent) or be working towards it, with completion required within 18 months of contract commencement. Continuous Professional Development (CPD):
- Subcontractors must provide CAT with quarterly updates on the CPD activity of all teaching and assessing staff, aligned with CAT self-assessment and quality assurance processes.

Safer Recruitment and Compliance:

- CVs for all teaching and assessing staff must be submitted to CAT at the start of the contract.
- DBS/SC checks must be provided for inclusion on CAT Single Central Record.
- All staff must complete training in safeguarding, Prevent Duty, and Fundamental British Values as part of their induction and ongoing development.

Identifying Risks Potential Risks:

- Poor Achievement Rates: Subcontractors achieving poor results, which could negatively impact Fieri's overall performance.
- Reputation Risk: Subcontractors jeopardising Fieri's reputation and contract achievement.
- Funding Risks: Not meeting funding targets, leading to lower management fees and future allocation reductions.
- Administrative Costs: Underestimating the costs of administering the provision and contract.
- Competition: Subcontractors competing for learners with other contracted provision.
- Contract Completion: Subcontractors failing to complete within the contract period, leaving learners on-programme.
- Data Protection: Failing to adhere to General Data Protection Regulations (GDPR).
- Staff Turnover: High staff turnover at the subcontractor, affecting their capacity to deliver the contract.
- Health and Safety: Risks associated with health and safety, safeguarding, Prevent Duty, or equality and diversity issues.
- Negative Publicity: Negative publicity associated with the subcontractor.

Mitigating Risks Risk Management Strategies:

- Risk Register: Maintain a comprehensive risk register to track and manage risks.
- Regular Reviews: Conduct regular reviews of the risk register to identify new risks and assess existing ones.
- Escalation Log: Implement an escalation log for concerns to drive continuous improvement.
- Due Diligence: Perform thorough due diligence checks on subcontractors to assess their risk levels.
- Performance Monitoring: Regularly monitor subcontractor performance to identify and address issues early.
- Quality Assurance: Conduct regular quality assurance checks to ensure high standards are maintained.

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- Training and Support: Provide training and support to subcontractors to help them meet our standards.
- Contingency Plans: Develop contingency plans to address potential issues, such as subcontractor failure or non-compliance.

Termination and Dispute Resolution

Termination Procedures:
- Grounds for Termination: Define the grounds for terminating a subcontractor's contract, such as non-compliance, poor performance, or financial instability.
- Termination Process: Outline the steps for terminating a contract, including consultation, review, and formal notification.
- Alternative Arrangements: Ensure alternative arrangements are in place to continue the delivery of education and training if a contract is terminated. Dispute Resolution:
- Initial Dispute Resolution: Outline the process for resolving disputes at the initial stage, including meetings and consultations.
- Escalation Procedures: Define the escalation procedures for unresolved disputes, including involvement of senior leadership and formal review.
- Formal Resolution: Provide a formal resolution process, including mediation and legal action if necessary.

Health and Safety, Safeguarding, and Equality and Diversity

Health and Safety:
- Policy Compliance: Ensure subcontractors comply with health and safety policies.
- On-Site Assessments: Conduct on-site assessments to verify compliance.

Safeguarding:
- Safeguarding Policy: Ensure subcontractors comply with CAT safeguarding policy.
- DBS/SC Checks: Require DBS checks for all subcontractor staff. Equality and Diversity:
- Equality Policy: Ensure subcontractors comply with equality and diversity policies.
- Training: Provide training on equality, diversity, and inclusion.

Communication and Relationship Management

Principles of Communication:
- Regular Meetings: Schedule regular meetings with subcontractors to discuss performance and compliance.
- Named Contacts: Ensure subcontractors provide named contacts for communication.
- Documentation: Maintain records of meetings, correspondence, and audit visits. Relationship Management:
- Collaboration: Foster a collaborative relationship built on trust and respect.
- Feedback: Implement mechanisms for gathering and addressing feedback from subcontractors.

Fees and Charges

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All fees and charges will be in accordance with the DfEs subcontracting regulations, and kept up to date with the new versions. Including, but no limited to;

Funding rules
- [ESFA Subcontracting Funding Rules for Post-16 Education and Training (excluding apprenticeships) Subcontracting funding rules](#)
- [GOV.UK Apprenticeship Funding Rules (2024-25) Apprenticeship funding rules](#)
- [GOV.UK Guidance on Using Subcontractors in the Delivery of Apprenticeships Using subcontractors](#)

Financial Health and Risk Assessment

- [Financial Health Guidance for Organisations Contracting with or Applying to ESFA Financial health guidance](#)
- [Funding Higher Risk Organisations and Subcontractors Policy Funding higher risk policy](#)

Subcontractor Reporting and Compliance

- [MyESFA Portal (for Subcontractor Declarations)](#)
- [Further Details on Distance Subcontracting Reforms Distance subcontracting](#)

Accountability and Quality Assurance

- [Apprenticeship Training Provider Accountability Framework Accountability framework](#)
- [Ofsted Education Inspection Framework](#)

Administration and management fees

CAT bases its management fees on the level of resource required to: manage effectively the individual subcontractor relationship; to undertake funding returns; complete audit requirements; to ensure the maintenance of high quality of delivery to learners; and to mitigate against any risk to the CAT and DfE. We recognise the importance of ensuring that our management fees are reasonable, proportionate and transparent and so we have developed two price points that reflect the differing costs to the CAT. A standard CAT management fee of 20% (of all funding drawn down against the provision) will be applied as the benchmark rate, and has been calculated as the representative cost to CAT in effectively identifying, selecting and managing these contracts. CAT will individually assess each subcontractor prior to any and each agreement with the subcontractor before an open rationale determines the level of management fee retained by the CAT.

Standard Management Fee

This fee will apply to all subcontracted contracts and is the proportion of DfE funding retained by CAT to cover standard costs incurred through its management of these contracts. These costs include (but are not limited to):

- Administration
- Quality assurance
- MIS functions relating to the submission of funding and data to the DfE
- Provision of management meetings
- Provision of professional advice regarding DfE funding matters
- Due Diligence support, guidance and checking
- Mandatory Training delivered to subcontractor staff (as applicable)

Additional Management Fee

In some cases, an Additional Management fee may be charged. This higher rate would apply if CAT undertakes further functions for example: managing the provision; through delivering additional services; or where greater support is required to ensure the development of quality delivery. Examples include (but are not limited to):

- Registering learners with awarding organisations
- Incurring the cost of examination fees
- Responsibility for Internal Quality Assurance of provision
- Increased Quality Assurance Audits if provision is new or is underperforming
- Additional support necessitated due to subcontractors' poor performance (in relation to delivery of provision, poor success rates or administration processes linked to provision)
- Type of provision, for example more resources will be required to manage the administration of apprenticeship programmes than some other types of programmes
- New subcontractor due to the increased administrative burden and higher risk

Where applicable, the Additional Management Fee is in addition to the Standard Management Fee. CAT agrees the management fee with a subcontracting partner during the procurement process, and prior to the issuing of contracts. Fees are be reviewed prior to annual re-contracting.

Training Fees

At CAT, we are committed to delivering high-quality training that meets the needs of our learners and partners. To support the effective management and delivery of our training programs, we have established a clear and transparent training fees structure.

Standard Training Fees

The Standard Training Fee covers the essential costs associated with delivering our training programs. This fee is calculated based on the resources required to ensure effective training delivery, including:

- Development and maintenance of training materials
- Delivery of training sessions by qualified trainers
- Assessment and feedback processes
- Administrative support for training logistics
- Ongoing evaluation and quality assurance of training effectiveness

Additional Training Fee

In certain circumstances, an Additional Training Fee may be applicable. This fee reflects the extra resources and support required for specific training needs, such as:

- Customised training content tailored to unique learner requirements
- Additional administrative support for larger or more complex training cohorts
- Provision of specialized training equipment or materials
- Increased trainer engagement for hands-on workshops or seminars
- Additional follow-up support sessions for learners to ensure comprehension and application of training content

Payment Terms

Payment terms and the method of calculation are in line with the contract. Payments are made monthly at the end of the second month following the delivery period, which has been validated and payment confirmed by the DfE. Payment is based on the funding confirmed and received, less the applicable Management Fee.

Payment dates: specified at the commencement of the contract; subject to adherence with CATs requirements for enrolling the learner(s) onto the Individualised Learner Record; as per contract schedules and guidance documentation.

Payments are dependent upon delivery targets being met and all documentation received being timely and accurate for input onto the Individualised Learner Record.

4. **Monitoring and Review**

This Policy will be reviewed and consulted upon annually. The CEO will approve the Policy.

All procedures under this Policy are subject to monitor and review. The main purpose of this review is for the continual improvement of the system.