



**Brunel**  
University  
London

# **Apprenticeship Subcontractor and Supply-Chain Fees and Charges Policy**

## Documentation Management

### Document Record

Maintained by:	Assistant Director (Academic Services)
Owned by:	Academic Services/Academic Strategy Committee
Approval Date:	January 2020
Location of Master Document:	<a href="https://intra.brunel.ac.uk/Team/Quality%20Overall/Degree%20Apprenticeships">https://intra.brunel.ac.uk/Team/Quality Overall/Degree Apprenticeships</a>

### Version Control

Document Version	Amendments	Amended By	Date	Approved By
1.0	Policy created	Assistant Director (Academic Services) and Head of Apprenticeships	January 2020	Academic Strategy Committee

## **Introduction**

The purpose of this document is to define the basis on which subcontracting arrangements will be managed for apprenticeship programmes. Subcontracting is when Brunel University London (Brunel) subcontracts the delivery of elements or full standards of apprenticeship programmes. Where appropriate, Brunel 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.

The management of subcontractors will be based upon the application of the risk principle. All subcontractors will be risk assessed in relation to the performance standards set in the quality framework. Information about the performance standards can be obtained from the Apprenticeships Hub. All subcontractors will have a risk rating. This rating will determine the frequency and scope of the quality audits undertaken by Brunel staff.

## **Reasoning for offering partnering opportunities**

Brunel currently holds the view that subcontracting should be maintained at a nominal proportion of the overall apprenticeship provision. However, we will consider the use of a subcontractor when all of the following criteria apply:

- There is a clear alignment and synergy of Brunel's vision, mission and values to those of the subcontractor
- There are clearly-identified strategic benefits to the subcontract arrangement
- An employer organisation has requested it
- The provision complements, rather than displaces, Brunel's provision.
- The subcontracting organisation has a proven track record in the delivery of publicly-funded training provision
- The provision is suitably located to enable effective quality assurance monitoring and audit by Brunel
- The subcontracting organisation is listed on the Register of Apprenticeship Training Providers

## **Supply Chain Fees and Charges**

The typical percentage range of fees retained by Brunel to manage subcontractors will be between 15-20%. This has been calculated to include the costs of managing and administering the subcontracting arrangements, the electronic and paper systems used within the relationship and the additional value offered to partners in terms of CPD and support to ensure compliance and improve and enhance the quality of teaching and learning.

There may be some slight differences in fees charged for or the support provided to different subcontractors. These are for a variety of reasons but could include the use of Brunel premises for delivery, specific delivery by Brunel staff on elements of partners' programmes and additional support measures put in place to manage underperformance by partners.

*In return for the fees charged Brunel provides the following services and support:*

- Access to the CPD programme that includes opportunities for subcontractors' staff to develop new course materials, improve teaching and learning practice and refresh knowledge of safeguarding, funding rules and audit compliance (including completing Brunel paperwork and utilising Brunel on-line systems to track learners progress, attendance and progression);
- Training for the observation of teaching, learning and assessment to enable partners staff to undertake observations following Brunel policies and procedures;
- A dedicated relationship management team that is available to provide support and guidance and undertake, as a minimum, site visits, teaching and assessment observations, compliance checks and technical support;
- Help to complete a Self-Assessment Review (SAR) that feeds into the wider Brunel SAR and identifies areas of effective practice and areas of improvement for which partners can tap into support from Brunel staff in Teaching and Quality;
- Access to a range of electronic tools to monitor learners progress, attendance and progression;
- Administrative support to ensure all paperwork is audit and ILR compliant and safely stored and uploaded onto ESFA systems;
- Access to Brunel quality and CPD services that provide 1:1 support and training for teaching and delivery staff that are graded 3 or 4 with targeted action plans to improve their practice;
- Business development and joint bidding opportunities to link with regional or national employers.
- Administrative support for processing additional funding applications, follow-ups and payments; such as employer incentive payments.

## **Payment**

The standard payment terms are monthly in arrears based on actual delivery recorded on the Brunel ILR. Full details of payments are included within the payments section of the contract between Brunel and subcontractors. These are summarised below:

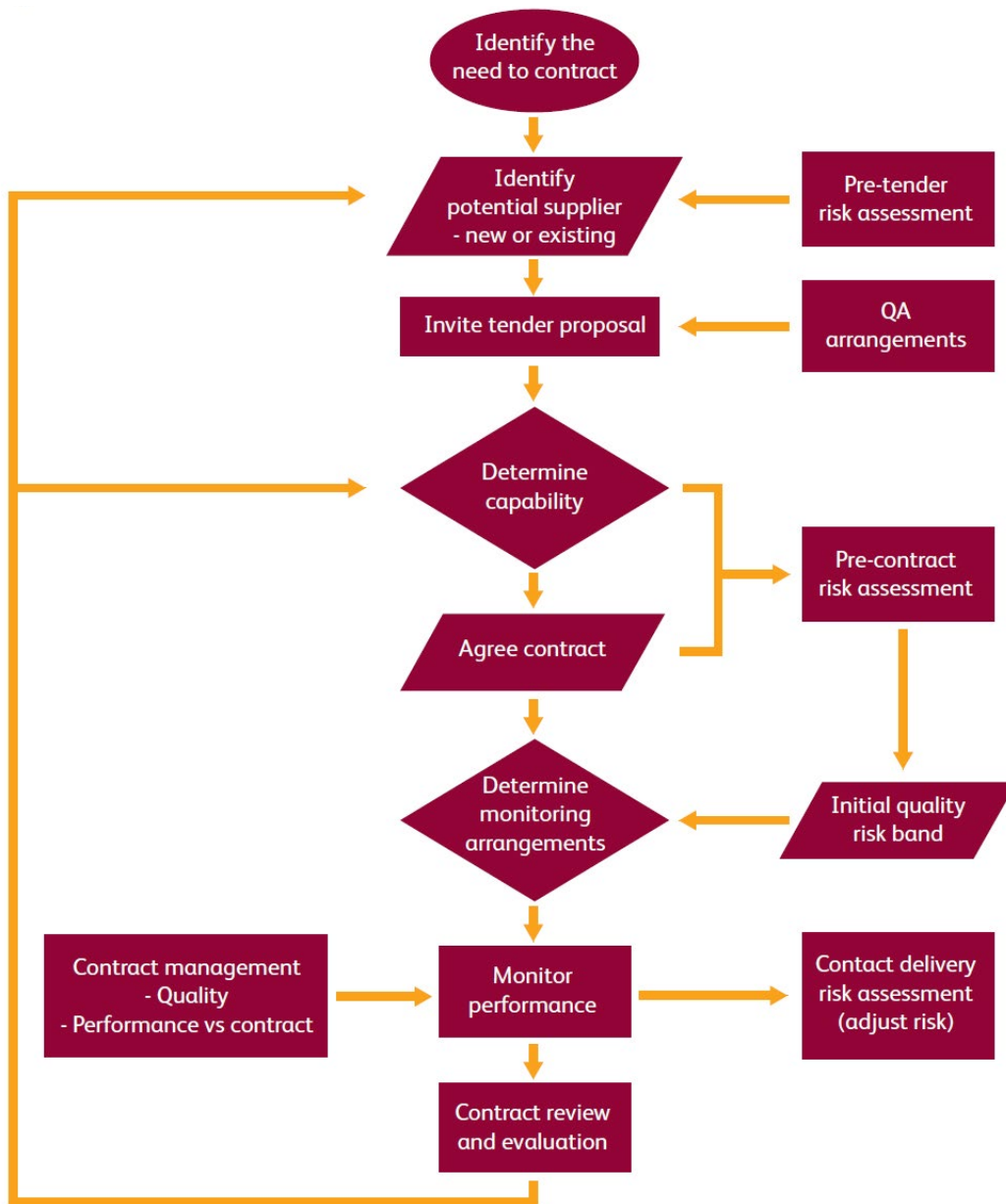
- Brunel will make the payments to the partner calculated and payable in accordance with the Schedule of the Contract.
- Payments will be made within 30 days
- If there are errors in an audit of a sample of the evidence provided by the partner to support the payments Brunel reserves the right to recover from the partner an amount based on the error rate identified and the total value of this Agreement.
- Such amounts may be recovered by making deductions from future payments due to the partner under this Agreement.
- If the funding money is withdrawn from Brunel by the ESFA retrospectively, Brunel reserves the right to withdraw funding from the partner.

This policy has been shared with all current partners and is available to download alongside the documentation potential partners complete at <https://www.brunel.ac.uk/about/quality-assurance/a-z>

This policy is reviewed on an annual basis and agreed by the Corporation, via the Academic Strategy Committee each year to allow for any alterations in ESFA funding rules to be included but before contracting with subcontractors occurs. This enables Brunel to ensure that partners are fully aware of these changes in addition to any alterations in our policy.

### Subcontracting Process Overview

To ensure clarity from the outset Brunel has ensured that it has robust systems in place that are consistent and highlights roles and responsibilities; this will remove any risk of confusion and uncertainty from the outset and is shown in the diagram below:



## Identification of a need to subcontract

Brunel has two main identification points:

- Following Brunel's annual business development cycle, Brunel is able to review the provision and partner mix to identify any potential spare capacity or areas of growth.
- Additional business development or contract opportunities are generated by Brunel and specialist, or geographically specific partners are required to service some of these needs. Existing partners are approached or announcements made via the website for partners.

## Due Diligence

- All potential and current subcontractors will supply Brunel with all relevant information requested within the Brunel due diligence form documentation to protect learners and to ensure the subcontractor is a legally, financially and educationally sound organisation, before a contract being signed. Examples of documentation requirements include:
  - Statutory accounts and company credit checks
  - EQA/Inspection Reports
  - Evidence of Awarding Body status, including sanctions
  - CVs for delivery staff (including DBS numbers)
  - An overview of the other subcontract values and prime contractors each partner contracts or is planning to contract with, by funding stream
  - Declarations of business standing of the Directors and any conflicts of interest with Brunel staff or Corporation members
- Subsequently, subcontractors should notify Brunel of any changes in circumstances or personnel related to the contract immediately. This process will be repeated on an annual basis with a specific focus upon financial and quality-related performance updates.

## Decision Process

In addition to the due diligence documentation, subcontractors will also provide a business case, which will include:

- Organisation overview
- Structure - legal and operational
- The rationale for contract request
- Added value to prime contractor and sector
- Current offer and track record of successful delivery
- QA/QI systems
- Financial health check
- Evidence of position on Register of Apprenticeship Training Providers (RoATP)
- References from previous clients

The application processes and base documentation will form the main decision-making process to select a subcontractor. Decisions will also be determined by the responses to the key questions requested in potential partner's delivery plans against local and regional priorities.

Brunel will be looking for flexibilities that develop and deliver an offer that meets the needs of local people, employers and the wider community.

The costs/benefits of an internal solution (investment) vs an external solution (subcontract) will also be considered as will the leverage that subcontracted work can provide to key Brunel and/or government growth targets.

## **Contracting**

Based on approval and through discussion or negotiation, both Brunel and the subcontractor will agree on the contract financial value and learner numbers by funding stream(s). The following core contract components will be agreed:

- Subcontractor profile
- Subcontractor duty (and KPIs)
- Brunel duty
- Brunel service offer
- Brunel management and service charges based on due diligence results
- Contract volume and value

The contract will reflect the in-year ESFA Funding Rules and updates. All contracts are legally binding and will need to be signed by all parties before the commencement of delivery.

Brunel will declare to the ESFA all subcontractor arrangements. This will normally be twice a year, but if volumes or values change a revised submission will be made between these formal submission dates.

During the contracting year if there is any evidence of a subcontractor's irregular financial or delivery activity Brunel will carry out an investigation and will report the outcome of the investigation, in writing, to the Funding Agency relationship manager within ten days of the investigation being completed.

## **Second-level Subcontracting**

Brunel does not allow second-level subcontracting under any circumstances.

## **Other Requirements**

Brunel will only subcontract to organisations listed on the Register of Apprenticeship Training Providers

Brunel will only subcontract 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.

## Performance Data

Subcontractors will provide a range of data, at the frequencies specified in the contract and those specified in the Partner KPI Areas with targets and thresholds agreed at contract negotiation and identified within Schedule 1. Should Subcontractors fail to deliver the data consistently, Brunel will impose financial penalties.

## Delivery Quality

Subcontractors will ensure that all learners are given inductions to their courses or programme. The induction given must be consistent with the standards specified by Brunel for the management and delivery of learner inductions.

All courses should include an initial assessment process that enables learners and staff to identify what they want to achieve from the course. This process should ensure that:

- Learners have the necessary aptitudes, attributes and abilities to help them successfully complete the courses for which they are applying.
- Any learning support needs are accurately identified.
- Learners have the information they need to help them make well-informed judgements about the relevance of their courses to their short- and longer-term employment and learning goals.
- Any identified support needs will be fed back to Brunel, who will approve the additional support and any extra cost involved.

Subcontractors must have access to appropriate learner support arrangements.

Brunel Health & Safety policy and risk assessments must be adhered to.

Tutors must maintain learner progress records at an appropriate level of detail, in relation to the context and length of the course or programme.

Brunel Quality documents provide the benchmark for the detail of records required.

All courses will have their content defined within a scheme of work, and their sessions will be planned using an appropriate lesson/session plan. Both these should be consistent with the requirements defined in Brunel quality documents.

Requirements in relation to the observation of teaching and learning are defined in Brunel quality documents.

Subcontractors will register their learners with the appropriate examination boards within agreed timescales and abide by awarding body regulations. Subcontractors will maintain assessment and verification, and/or moderation arrangements that are consistent with the requirements of the awarding bodies, examination boards and any other external bodies, where the latter make recommendations regarding assessment and verification arrangements.



Subcontractors must ensure that appropriate staff attend Brunel best practice events and any training organised by Brunel, which has been put in place to address issues identified in quality or compliance post-audit action plans. Failure to attend such events will result in the organisation's risk assessment rating being increased. This action is likely to increase the frequency of quality and/or compliance audits undertaken. Other penalties may also be applied.

"Appropriate staff" are normally defined as individuals who have relevant managerial authority and responsibility for the subject being addressed through the training. The exception to this definition will be where training is designed for practitioners.

Subcontractors will ensure that they maintain effective employer engagement. Employer engagement processes must be consistent with the standards specified by Brunel for the management and delivery of learner inductions.

### **Health & Safety**

Subcontractors must provide details on request to Brunel, of how they ensure that facilities used to deliver learning meet all Health & Safety regulatory and legislative requirements, including where required specific health & safety reports, audits and risk assessments.

Subcontractor tutors must be capable of and must undertake activity and facility risk assessments at a frequency consistent with the type of activity and the nature of the facility being used.

Subcontractors must ensure that appropriate staff attend Brunel best practice events and any training organised by Brunel which has been put in place to address issues identified in quality or compliance post-audit action plans relating to Health & Safety. Failure to attend such events will result in the organisation's risk assessment rating being increased. This action is likely to increase the frequency of quality and/or compliance audits undertaken. Other penalties may also be applied.

"Appropriate staff" in this instance are normally defined as individuals who have relevant managerial authority and responsibility for Health & Safety.

### **Facilities and Resources**

All facilities and resources used must be "fit for purpose" and comply with all current Health & Safety legislation. Any new premises or change of premises used for the delivery of programmes funded by Brunel will need to be risk assessed and details supplied to Brunel prior to commencement of any delivery.

### **Self-Assessment**

All subcontractors will be required to undertake a self-assessment process in relation to the Common Education Framework and produce a SAR which clearly and specifically identifies and evaluates the courses and programmes which they are contracted to deliver. The SAR and resulting action plan must be submitted as specified in the contract.

## **Service Standards**

All subcontractors will be required to demonstrate how they will meet the Brunel service standards in relation to providing a high-quality service at all points of a learner's journey and how they will communicate these standards to learners.

Subcontractors will be required to meet the performance targets set out in the contract and those specified in the Partner KPI Areas with targets and thresholds agreed at contract negotiation and identified within the contract. Should subcontractors fail to meet the performance targets, Brunel will work with the subcontractor on an improvement plan, and monitor performance further continued poor performance could result in financial penalties.

Brunel staff will support those subcontractors who require further development to reach the required standard in the expectation that subcontractor staff will subsequently maintain this standard.

## **Safeguarding**

Subcontractors will be required to have in place safeguarding arrangements which are consistent with the standards specified in the guidance documentation provided by Brunel.

## **Delivery Locations**

Subcontractors may be required to ensure that programmes are delivered in specific localities, depending upon the nature of the contract.

## **Audit Procedures**

Brunel will conduct audits of subcontractors as specified in the quality assurance arrangements in the contract and those specified in the partner KPI areas with targets and thresholds agreed at contract negotiation and identified within the contract.

Brunel will provide reasonable advance notice in writing of proposed visits to the subcontractor of the scope and date of each audit.

Post-audit action plans will be produced where necessary and subcontractors will be supported through training and mentoring to achieve the aims set out in the action plans. Subcontractors, who consistently fail to attend training or engage in the mentoring scheme, will be financially penalised.

## **Subcontractor's Policies and Procedures**

Subcontractors will be required to demonstrate that they have robust quality audit arrangements, consistent with the requirements related to the audit activities undertaken by Brunel as specified above.

They will be required to maintain, review and update policies and procedures in line with national legislation and as appropriate to the nature of their contract in the following areas:

- Health & Safety
- Equality & Diversity
- Safeguarding
- Sustainability
- Quality Assurance, including performance monitoring and development of:
  - Teaching practice
  - Initial assessment
  - Additional learning support
  - Information, advice and guidance
  - Self-assessment
  - Service standards
- Performance management information
- Data protection
- Staff recruitment and development
- Financial management

### **Contract Monitoring and Review**

Subcontractor performance will be monitored on an ongoing basis and will also include attendance at Principal Performance Review (PPR) meetings that will be scheduled at quarterly intervals throughout the year.

Feedback on performance will be provided in writing, by phone or e-mail and will require actions to address any identified issues. The methods used will depend upon the circumstances at any point in time. Feedback will also be provided at periodic contract performance review meetings. The frequency of these meetings will depend upon the performance of the subcontractor.

Where performance falls below the standard required, subcontractors will be issued with a notice to improve. Support will be provided to help subcontractors develop and enhance the quality of their delivery. If a subcontractor fails to meet the necessary improvements within the agreed timescales, it may be necessary to implement contract termination procedures.

#### **Monitoring will include:**

- Monthly conference calls and/or visits
- Examining MIS and claims
- Scheduled support visits.

#### **Review will involve:**

- Quarterly formal meetings
- Examination of all aspects of the contract
- Planning future actions.

### **Evaluation will include:**

- Annual assessments/audits
- Looking at contract performance
- Contract renewal decision-making process.

The level of contract management and service provided by Brunel to the subcontractor will be determined at the approval stage but could be increased in-year as performance levels are reviewed.

If during in year monitoring there is any evidence of a subcontractor's irregular financial or delivery activity Brunel will carry out an investigation and will report the outcome of the investigation, in writing, to the Education and Skills Funding Agency relationship manager within ten days of the investigation being completed.

If a subcontractor is found to be subcontracting to a second level the contract will result in termination.

### **Contract Termination**

Brunel will work with its subcontractors to ensure that all learners receive high quality, safe and inspiring training, with all the necessary support for individuals to achieve their aims and progress on to employment.

Should a subcontractor consistently fail to improve any element of its performance which is deemed to be unsatisfactory or inadequate, or consistently fail to engage in training or with the quality support systems which are in place, Brunel reserves the right to terminate the contract to protect the learners.

If contract termination procedures are implemented, subcontractors are contractually required to co-operate fully with this process.