

## Subcontracting Policy

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## **Background**

Total People Limited is required by the Education and Skills Funding Agency (ESFA) to provide the following information in relation to subcontracted activity;

Total People will, as requested by the ESFA, declare the amount of subcontracted provision undertaken as well as a declaration of the individual providers whom Total People subcontract with, this information is updated & published on the Total People website on a yearly basis.

Total People are committed to delivering exceptional standards of learning and to provide a broad offer of learning opportunities and choice to all learners. To support this, we may enter into subcontracted delivery arrangements with a number of organisations, this is dependent upon being able to ensure that:

- there is a broad offer of learning and choice which supplements and underpins our direct delivery to enhance the number of opportunities available;
- all learners receive exceptional standards of learning;
- we will support raising of the standard of learning and quality of teaching for those providers who enter into a contract of provision with us.

Total People will, on an on-going basis, aim to improve the quality of any subcontractor and Partner arrangements, this will be evidenced by:

- pre-contract activity which assesses the capability, capacity and readiness of the subcontractor to deliver the proposed learning;
- contract reviews which are undertaken on a regular basis, dependent on risk, which encompass the quality of provision delivered, learner progress, teaching and learning and contract performance;
- advising on the quality of provision and ways to improve working between Total People and the subcontractor.

## **Fees**

Total People retain a fee for subcontracting which varies dependent upon the level of support required and provided to each subcontractor. These fees are reviewed regularly and are adjusted as appropriate.

Total People typically retain between 10% and 20% of the ESFA funding it receives against each learner for sub contracted provision. This is applied equally to both on programme and outcome payments (This includes completing the end point assessment).

All fees reflect an actual cost of subcontractor management and aren't used as a means to generate a financial profit for Total People.

## **Support**

Typically a subcontractor with Total People will receive the following:

- A regular contract monitor with agreed actions for improvement;
- A broad range of management information and performance reports to support the effective and timely delivery of ESFA funded provision;
- Experienced staff as a point of call;
- Invitations to Total People's yearly conference days which offer support & guidance on changes to funding rules & processes for provision funded by the ESFA;

- Performance assessment of activities such as teaching, learning & assessment
- Perform validation checks to ensure compliance with the funding rules outlined by the ESFA.

## **Procurement**

Total People are committed to ensuring that where the business has identified a need to subcontract that all interested businesses are subject to an opportunity to bid for advertised tenders. Total People utilises LTE Groups' rigorous procurement process which adopts the below principles & also ensures that Total People UK/EU regulations;

- Competitive tendering
- Sustainability
- Transparency
- Fairness & Equality
- Best practice
- Legality (e.g. in accordance with UK Procurement Regulations)
- Confidentiality, subject to the Freedom of Information Act
- Fitness for Purpose
- Quality
- Total Lifetime Costs
- Risk
- Environmental Impact

## **Due Diligence**

Total People undertakes robust Due Diligence which includes a financial health assessment, safeguarding & prevent. This is to mitigate the risk to Total People and the contracts they may potentially let. Any subcontractor with proposed contract values in excess of £100,000 is required to register and pass the ESFA's Register of Apprenticeship Training Providers (RoATP) before a contract can be issued (for contracts that are in relation to the delivery of apprenticeships).

Further investigations of any subcontractor would be undertaken if any of the following is identified via monitoring or any other means:

- Ofsted has awarded the provider a Grade 3 or 4
- Any irregular financial or delivery activity arises such as credit ratings that move to 'above average risk'.
- Sanctions are placed on any subcontractor by the awarding organisation
- Non-delivery of training
- Failure to meet the performance criteria detailed within the contract.

Ongoing non-compliance would trigger the penalty clauses included in the contract which could ultimately mean termination of the contract.

## **Payment Terms between Total People and the subcontractor**

The payment terms and evidence requirements are detailed within the appropriate subcontractor's contract, payments are released to subcontractors within 30 days of funding being paid to Total People from the ESFA.

Payment processes are compliant with ESFA contractual requirements, and are made monthly on an actual basis. This is providing that the subcontractor has submitted the appropriate evidence, ensuring that it is of the highest quality and meets the needs of the learner and Total People.

Total People provides a monthly claim summary to the subcontractor which sets out the payments for the month and details any amounts withheld typically where further evidence is required. Once Total People are satisfied with the quality of the subcontractor's provision for the month, the payment will be made to the subcontractor, based on the invoice raised to Total People submitted with a signed subcontractor declaration (provided as part of the claim summary).

### **Policy review**

Total People will review the entirety of the subcontracting policy on an annual basis, the review of this policy will typically take place in October of each year as per the document control section. Dependant on advice or changes to the policy guidance set out by the Education and Skills Funding Agency this policy be updated on an ad-hoc basis throughout the year.