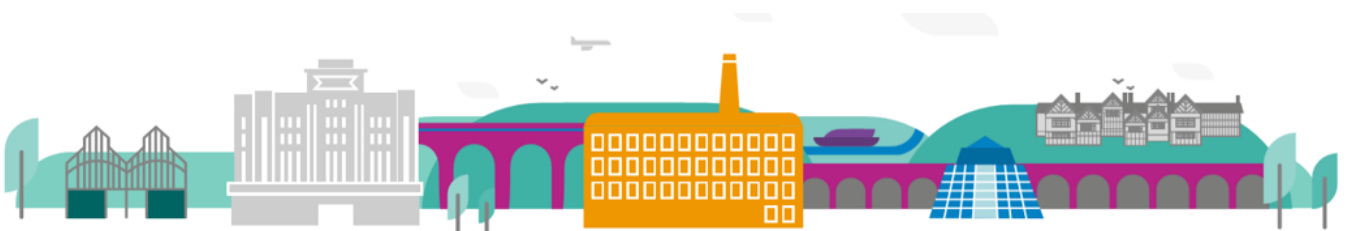


# STOCKPORT CONTINUING EDUCATION SERVICE

## Subcontracting Policy 2023-2024

**Produced by:** Stockport Continuing Education Service  
Services to Place Directorate

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agreed** 01/09/2023



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# SUBCONTRACTING PROCEDURE

PURPOSE	SCOPE
<p>The purpose of the Subcontracting Procedure is to outline all the activities carried out by Stockport Continuing Education Service (SCES) prior to the commencement of a subcontracting contract, and who the responsible persons are. It describes all steps including selection and procurement, the due diligence process, financial checks, quality assurance and on-going monitoring. A table capturing these points is provided at Appendix 1.</p>	<p>This Procedure is limited to 'provision subcontracting' which means the delivery of full or part programmes that is to say a separate legal entity that has an agreement with the SCES to deliver any element of the education and training the EMCA and ESFA funds.</p>

## RATIONALE FOR SUBCONTRACTING

SCES subcontracts provision to meet the strategic priorities outlined in the Strategic Plan. SCES aims to ensure high quality teaching and learning as a result of the subcontractors' extensive and focused experience in specialist areas. Subcontracting ensures cost effectiveness of programme delivery on occasions when it may be desirable for SCES to run certain programmes, but it is not viable for the Service to build in-house resources and expertise.

Subcontracting contributes towards the sustainability of the Service's provision overall, and it helps SCES to respond flexibly to changing market demands and emergent opportunities. Subcontracting helps to further penetrate the geographical area in which the SCES operates, offering an entry point for disadvantaged groups as well as widening the range or progression opportunities for learners, by providing expert and specialist provision. It also provides good development opportunities for both SCES and its subcontractors to share good practice and new ways of working.

The decision to subcontract with a partner will be made reflecting on assessment of specialism, capacity, capability and quality, both of the partner and SCES and can be either proactive or reactive. The specific reasons why each subcontract arrangement is planned for 2022/23 is set out in Appendix 2.

## SELECTION AND PROCUREMENT

In line with GMCA and ESFA requirements SCES shall ensure that subcontractors are selected fairly and have sufficient specialism, capacity, capability, quality and financial standing to deliver the provision. The procurement process will ensure that the contract will deliver value for money and adheres to the Public Contracts Regulations 2015. The decision to select a subcontractor is based on assessment of their specialism, capacity, capability and quality. In the event that there is only one provider of the provision, the decision to subcontract without the requirement for a tender will be made by the Council and/or Governance Team. SCES will ensure that all subcontractors are a Registered Training Provider and have a UKPR number.

Where a subcontractor holds more than £100,000 of contracted arrangements, as set out on the List of Declared Subcontractors, SCES will ensure permission is granted by GMCA or ESFA. SCES will apply GMCA and ESFA funding rules across all subcontractors as part of their subcontracting to ensure that the subcontractor is not a High-Risk Provider, as defined by the ESFA funding rules.

## CONFLICT OF INTEREST

As required by GMCA and ESFA funding rules, our due diligence process includes consideration of potential subcontractors for any conflicts of interest and how to manage such potential conflicts should they arise. Potential subcontractors are asked to share a list of related parties with SCES and declare any conflict of interest or that they have no foreseen conflicts during the application as part of due diligence procedures carried out by SCES. Searches will be undertaken by SCES to identify involvement in companies or with individuals that pose a conflict. Should a potential conflict of interest arise SCES will follow these actions:

- The Adult Learning and Skills Manager will write to GMCA and ESFA about any circumstances (for example, where SCES and our proposed subcontractor have common directors or ownership) which might lead to an actual or perceived conflict of interest
- The contract will not be issued without GMCA or ESFA written permission, and
- Will be retained as evidence both our request to and reply from GMCA/ESFA.

## TENDERING

So that SCES can demonstrate fairness in subcontractor selection, where there is more than one bidder for a contract, the Service will use a formal tendering process which will include the following elements:

- A shortlist of potential providers drawn up based on pre-defined criteria
- The requirement to complete scoring and assessment outcomes at tender assessment and interview/presentation stages.

## DUE DILIGENCE

Before undertaking a subcontract arrangement, SCES undertakes a due diligence exercise to ensure that the potential subcontractor will be able to provide high quality provision to learners and continue to meet the needs of these learners throughout the term of their programme. At each subsequent year of the engagement the due diligence information will be refreshed to confirm that the arrangement remains satisfactory and accords with the latest funding rules. Subcontracting checks are performed across finance and human resources with a focus on safeguarding and quality. Following the due diligence process the arrangement is approved by the Head of Economy, Work and Skills and Governors for issuance of any contracts.

Where there are identified gaps in policies, systems or curriculum e.g. sequencing, interleaving key themes and topics and it is deemed that the subcontractor can, through training and support, SCES will work with the subcontractor as part of a quality improvement plan to raise the standards to Service requirements. Should SCES feel identified gaps are high risk, SCES will not issue a subcontracting agreement.

The due diligence process will be reviewed on an annual basis with recurring / current and recurring subcontractors and will be undertaken prior to commencing delivery on any new contract.

Subcontracting will only occur where the subcontractor's specialism meets an identified need in the Stockport Economic Plan and skills or personal and social development needs of the community, and SCES does not have the specialist skills to deliver to meet this need or demand.

## FINANCIAL CHECKS

Checks are carried out to ensure credit risk is not an above average warning, the subcontractor is not in risk of liquidation or administration and statutory accounts have been published on time, before a contract is awarded.

Subcontractor financial accounts are reviewed by the Adult Learning and Skills Manager to check thoroughly and undertake further company and Director checks. Should a financial checks supply identify an area of concern, the matter is escalated to the Head of Economy, Work and Skills and Council's Finance Team to review the subcontract and mitigating risks, and the final decision to award the subcontract will be referred to the Governance Team. Where a subcontractor holds more than £100,000 of contracted arrangements, as set out on the List of Declared Subcontractors, SCES will conduct additional financial checks to assess the Financial Health of the contracting organisation. SCES will be required to submit this information to GMCA and ESFA in a form of their choosing to verify and review this information.

## SUBCONTRACTING CONTRACT

Once due diligence and pre-contract financial checks are completed to the satisfaction of the Head of Economy, Work and Skills and Governance Team, the Head of Economy, Work and Skills ensures legally binding signed contracts (signed by both parties) are in place prior to start of delivery. This is to minimise risk: that the subcontractor would not act in accordance with the terms of the contract; that SCES would not be able to exercise control over the subcontractor; funding agency requirements are not met.

The Adult Learning and Skills Manager follows up contracts that are not signed in a timely manner to reinforce that delivery cannot commence until signed by both partner and SCES.

Our subcontracting contract is reviewed at least annually to ensure it continues to include all required GMCA and ESFA terms in accordance with published Funding Rules.

## FUNDING RETAINED BY SCES

SCES will retain funding as set out in the Subcontract Agreement. To summarise:

- 15% management fee to cover quality assurance and administrative processes
- Learner awarding body registration and certification fees
- Achievement factor
- Where there is an issue with quality or compliance as per the subcontract agreement.

## PAPERWORK

All learner enrolment forms, and associated paperwork will be those of SCES, but will clearly articulate that the provision will be subcontracted, and so training on the correct completion of these form will be provided to relevant subcontractor employees by the Service's Compliance Officer. The Service's Compliance Team will thoroughly check all enrolment and associated paperwork promptly on receipt from subcontractor and feedback to the partner on any issues and confirm re-training requirements.

## QUALITY ASSURANCE

SCES ensures that subcontractors are included in the Service's quality framework and cycle and are guided and supported through training and regular support sessions by the Service to ensure quality standards are adhered to. Performance Management Reviews are held between SCES and the subcontractor to assess the quality of provision and impact on learners following detailed scrutiny following the Services quality assurance activity. Any actions arising are addressed in co-operation between the Service and the subcontractor.

Subcontractors will be actively managed and monitored by the Service to ensure that high quality delivery is taking place that meets GMCA and ESFA funding rules. A regular and substantial programme of quality-assurance checks on the education and training provided by delivery subcontractors will be undertaken. This will include visits at short notice and face-to-face interviews with employees and learners. This will:

- Include whether the learners exist and are eligible for funding
- Involve direct observation of initial guidance, assessment, and delivery of learning programmes.

The aim of the monitoring activities is to obtain assurance that delivery is consistent with Service expectations, is high-quality, is supported by the subcontractors' records and meeting GMCA and ESFA funding rules.

The list below is not exhaustive as subcontractor needs may vary. Variations between subcontractors may consider previous experience, delivery history, timely and overall achievement rates, risk assessments and additional support requirements. The Service will ensure:

- Regular meetings are held to discuss a range of issues which would include contract planning, audit feedback, performance monitoring reports etc.
- Regular monitoring visits with detailed feedback identify good practice and areas for improvement.
- Site visits to subcontracting partners delivering relevant provision will include a check to identify ESFA poster is correctly in place
- Monitoring of equality and diversity, health and safety, safeguarding and prevent ensure these are embedded into delivery
- On-going administration support including in-depth checks of evidence submitted and regular feedback on issues identified
- On-going data checks and support to resolve data queries
- On-going support to address any areas for improvement
- Standard process in place for the ongoing quality checks with each subcontracting partner throughout the academic year
- Standard minimum core assurance checks and monitoring activated to be undertaken for each subcontractor. Programme of performance monitoring and quality assurance; action plans in place to monitor progress of areas of improvement identified.

## GOVERNANCE

It is important that Governors are aware of the reasons for subcontracting provision including how it contributes to meeting our strategic priorities for the borough, enhances the quality of our learning offer, and ensure this provision is monitored and controlled appropriately as it presents a greater risk than Service's direct delivery both reputational and financial. Regular position papers are prepared for Governors and discussed during relevant governance meetings.

Prior to the commencement of each academic year the proposed subcontract arrangements will be presented to Governors for approval. Proposed arrangements for continuing subcontract agreements are submitted to GMCA and ESFA for approval prior to the commencement of the delivery of the provision.

## LINKS *TO* OTHER POLICIES

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Quality Assurance Policy  
Curriculum Policy

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# APPENDIX 1: MAIN TASKS & RESPONSIBILITIES

TASK	TO WHOM	OWNER	DUE DATE
Annual review of subcontracting (look forward), including strategy and rationale	Governance Team	Adult Learning and Skills Manager	May
Business case to GMCA / ESFA (we only require approval for new or materially changed provision)	GMCA / ESFA	Adult Learning and Skills Manager	May
Financial Due Diligence of each subcontractor	Governance Team	Adult Learning and Skills Manager	June
Subcontractor Contracts issued and signed	Subcontractors Individually	Head of Economy, Work and Skills	July
Subcontractor staffing checks (DBS)	Subcontractors Individually	Adult Learning and Skills Manager	July
Subcontractor mandatory training (inc. Safeguarding and Prevent)	Subcontractors Individually	Advanced Practitioner CPD	September
Subcontractor Training on enrolment	Subcontractors Individually	Compliance Officer	September
Subcontractor activities update	Advanced Practitioner Skills	Adult Learning and Skills Manager	Each Meeting
Publish rationale together with a detailed management fee structure and complete list of subcontracting partners	Website	Adult Learning and Skills Manager	October
Fully completed Subcontractor declarations via the ILR	ILR	Compliance Officer	As set out by GMCA/ESFA
In year Financial Due Diligence of each subcontractor (as directed by ESFA)	ALSM – Governance Team	Adult Learning and Skills Manager	As per Governance Schedule or as requested
Implement internal quality cycle	Subcontractors Individually	Advanced Practitioners' Skills and CPD	September
Moderation of internal quality assurance report	Advanced Practitioners' Skills and CPD	Adult Learning and Skills Manager	27/10/2023 Ongoing
Ongoing training and support	Subcontractors Individually	Advanced Practitioners' Skills and CPD	Ongoing
Annual review of subcontracting (look back) including quality, CPD etc	Governance Team	Adult Learning and Skills Manager	July for previous year
Subcontractor Performance Review	Subcontractors Individually	Adult Learning and Skills Manager, Advanced Practitioner CPD	Monthly
Monitoring Visits	Subcontractors Individually	Adult Learning and Skills Manager, Advanced Practitioner CPD	Half Termly



# APPENDIX 2: REASON *FOR* CURRENT SUBCONTRACTING 2023-2024

SUBCONTRACTOR NAME	RATIONALE FOR SUBCONTRACTING WITH THIS PROVIDER
Acorn academy	<p>Fully subcontracted (no elements delivered by Stockport Continuing education Service)</p> <p>SCES has worked in partnership with Acorn Academy since in 2015 to deliver bespoke specialist provision primarily to individuals recovering from addiction dependency with many having been through a 12-week residential treatment programme. There are 4 key strands:</p> <ol style="list-style-type: none"> <li> <p><b>1. Combination Learning Programme (CLP)</b>            This programme enables learners to explore their core values, beliefs and behaviours to identify why they turn to addiction and often, criminality. Learners examine different theoretical models enabling them to identify key triggers, empowering them to make lifelong changes. This programme engages residents that supports strategic priorities as defined within Stockport’s Economic Plan and GMCA’s Priorities.</p> </li> <li> <p><b>2. Peer Mentoring (PM)</b>            This programme is a progression pathway from CLP providing learners with basic mentoring knowledge, skills and practices. Learners can apply the knowledge and skills developed on the CLP and PM in all aspects of their lives. May learners progress into volunteering, work and/or Level 3 Certificate in Counselling Skills or further learning.</p> </li> <li> <p><b>3. Level 3 Certificate in Counselling Skills</b>            This programme is a progression pathway to level 3 learning for those learners that have completed the CLP and PM programmes. Learners develop higher level skills, bridging the gap to access level 4 learning.</p> </li> <li> <p><b>4. Keeping the Key</b>            This programme is designed to support residents that have been through residential treatment for addition to develop their knowledge and understanding of running their own home, managing their rent and bills and ultimately ‘keeping the key’ to their home and not becoming homeless.</p> </li> </ol> <p>These programmes require specialist skills and experience which SCES does not have within its workforce hence the reason for subcontracting to ensure access to vulnerable residents in our community who might not otherwise engage in education.</p>