**Subcontracting Policy 2017/18**

**Introduction**
This policy is a mandatory requirement to comply with the Skills Funding Agency contractual requirements and funding rules for the 2017/18 contractual year and must be in place prior to participating in any subcontracting activity from 1st August 2017.

**Principles**
Axia Solutions operate as a Lead Provider and will therefore ensure that:

* At all times we will undertake a fair and transparent procurement process, ensuring that all potential subcontractors undergo a comprehensive due diligence to include; a financial health assessment, review the quality of teaching and learning, demonstration of value for money, and ensure that employer and local skills priorities are being met.
* The funding that is retained by us will be related to the costs of the services provided. These services and the levels of funding being retained will be clearly documented in the subcontracting agreement and agreed by all parties.

**Rationale for Subcontracting**
Axia Solutions engages with subcontractors to meet employer’s needs. Reasons for subcontracting are varied but could be:

* To provide immediate provision whilst expanding direct capacity. This might include working with subcontractors to explore the delivery of new frameworks, sectors or niche provision.
* To provide access to, or engagement with, a new range of employers.
* To support another provider to develop capacity/quality.
* To support employers with a wide geographic requirement.

**Quality Assurance**
Subcontracted activity is a fundamental part of Axia’s provision. The quality of the provision will be monitored and managed through our existing Quality Assurance policies and procedures. This policy positions subcontracted provision as a core part of our activity to ensure continuous improvement for both Axia Solutions and its subcontractors. This will be achieved through the sharing of effective practice.

**Publication of information relating to Subcontracting**
In compliance with the Skills Funding Agency and other agency funding rules that apply, Axia Solutions will publish its subcontracting fees and charges policy and actual end-of-year subcontracting fees and charges on its website before the start of each contract year. Axia Solutions will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents.

**Management Fee**
The typical percentage retained to manage subcontractors is 15% all funding drawn down against the provision delivered. Each subcontractor’s performance and quality will be measured during a contractual year against a set of performance criteria, as detailed in their contract, which will determine the management fee set. The management fee will be reviewed for each subcontractor in July each year and agreed accordingly.

 This management fee represents the total cost that Axia Solutions incurs in effectively identifying, selecting and managing all subcontracted provision. Axia Solutions will also promote sharing of good practice and help improve delivery to our employers. Regular review meeting will be conducted to cover performance, payments, and quality assurance.

**Subcontracting Support**
The management fee deducted from allocated funds is used directly to provide a comprehensive programme of support and compliance measures to ensure that public funds are protected and used effectively and subcontractors are supported to develop their provision and expand their business. The level of support will vary dependent upon the needs of the individual subcontractor, however Axia Solutions will provide any additional support that we deem necessary to ensure the quality of teaching and learning and the success rates of any subcontracted provision continues to be outstanding.

**Payment Terms between Axia and the Subcontractor**
Axia Solutions will make monthly payments to subcontractors based on the accurate submission of data and supporting evidence to validate learning delivery. This will be paid within 10 days of Axia Solutions receiving their monthly payment from the Skills Funding Agency and on receipt of an accurate invoice as detailed within the subcontractor’s contract. All funding claims must comply with the current Skills Funding Agency Funding Rules and the terms of the contract between Axia Solutions and the subcontractors.

Where funding claims cannot be substantiated, Axia Solutions will adjust or reclaim any funds from the subcontractor and, where required, make an appropriate repayment to the Skills Funding Agency.

**Review and Publication of the Policy**
This policy will be reviewed at least annually each year to ensure compliance with the Skills Funding Agency funding requirements and will be published on the Axia Solutions website.