



## SUBCONTRACTING POLICY 2020/21

### Introduction

Axia Solutions is committed to working with high quality subcontracted partner organisations who provide training to support national, regional and local economic development.

### Purpose

This subcontracting policy sets out how Axia Solutions will apply fees and charges to contracts with organisations subcontracted to deliver training and education on behalf of Axia Solutions. It also details how Axia Solutions ensure any subcontracted provision meets high quality standards and limits risk.

This is a mandatory requirement to comply with the Education and Skills Funding Agency contractual requirements and funding rules for the 2020/21 contractual year and must be in place prior to participating in any subcontracting activity from 1st August 2020.

### 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, take into account any relevant Ofsted reports, 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 levels of funding being retained will be 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.

### Implementation

Axia Solutions will ensure that any subcontractor is subject to a rigorous Due Diligence process and:

- delivers a high quality service;
- will not further subcontract provision to other colleges or training organisations;
- employs high calibre staff to deliver to learners and informs Axia Solutions if these staff change;
- complies with Axia Solutions' policies and procedures;
- complies with the law e.g. Health and Safety, Data Protection, Equality and Diversity;
- has been risk assessed;
- Is registered with the UK Register of Learning Providers;

- Is registered with the Register of Apprenticeship Training Providers (RoATP);
- is aware of the clear lines of responsibility and understands the consequences of any breach of contract;

Subcontractors will participate in:

- Safeguarding learners (including Prevent responsibilities)
- Equality and Diversity
- Regular unannounced quality assurance checks
- Short notice audit visits
- Observation of teaching and learning
- Performance meetings
- Learner satisfaction surveys

### **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 and helping improve delivery to our employers. Regular review meetings will be conducted to cover performance, payments, and quality assurance.

### **Management Fees**

As part of managing a high quality subcontracted provision Axia Solutions will incur costs to manage the subcontracting process. These costs will be in proportion to the level of pre-contract assessment, performance management and risk management associated with the subcontracted activity. In addition there will be costs associated with the quality assurance activity outline above.

The typical percentage retained to manage subcontractors is between 15% - 25% of all funding drawn down against the provision delivered. The subcontracting agreement for each subcontractor will give itemised costs against the services being delivered, will detail how the services being delivered contribute to a high quality of delivery and why those costs are reasonable and proportionate to the delivery of the subcontracted provision.

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.

### **Publication of information relating to Subcontracting**

In compliance with the Education and 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.

### **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 30 days of Axia

Solutions receiving their monthly payment from the Education and 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 Education and 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 Education and Skills Funding Agency.

Full details of payment arrangements for each individual contract are included in each Subcontractors contract. These include the detailed schedule for evidence submission and monthly financials deadlines, with specific dates.

### **Contingency Plan in case of non-delivery**

In compliance with Education and Skills Funding Agency and other agency funding rules that apply, if a subcontractor withdraws from the agreement, or if a subcontractor goes into liquidation or administration, or are removed from the RoATP and / or The Register of Training Organisations, Axia will directly manage and deliver the remainder of the agreed provision already being delivered. This delivery will be either through its existing structure or by retaining the tutor / assessor expertise. Any provision planned but has not yet started will be delivered by Axia or their agreed sub-contractors.

If Axia needs to withdraw from subcontracting arrangements, sufficient notice will be provided to allow sub-contractors to complete delivery of immediate provision.

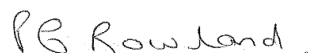
Contracts with subcontractors clearly state conditions for termination and recovery of funding in case of non-delivery.

### **Review and Publication of the Policy**

All potential subcontractors will be made aware of this policy as part of the subcontracting process. This policy will be reviewed at least annually each year by the Director to ensure compliance with the Education and Skills Funding Agency funding requirements and will be published on the Axia Solutions website.

#### *Disclaimer:*

Axia Solutions reserves the right to amend its subcontracting arrangements at any time in accordance with the terms and conditions contained in its standard contract for subcontracted provision.



**Paula Rowland**

**Managing Director**