

2 Start Limited SUBCONTRACTING POLICY

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A) INTRODUCTION

Purpose

The purpose of this document is to outline 2 Start Ltd's learning approach to the selection and management of sub-contracted providers.

This policy should be read in conjunction with other 2 Start Ltd policies and procedures and the sub-contract.

The purpose of this policy is to define the basis on which any subcontracting arrangements will be managed. Where appropriate, 2 Start Ltd 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.

Scope

The Subcontracting policy will be communicated via the Apprenticeship Manager to all sub- contracted provision. The 2 Start Ltd website will publish the policy. This policy shall be operated with effect from July 2023 and revised annually.

Responsibility

Responsibility lies with the Senior Management Team to ensure that the Subcontracting policy is adhered to.

Entering into sub-contracting arrangements

2 Start Ltd is committed to growing and diversifying the range of programmes and services it delivers to widen participation, engage in new and emerging markets and to support the needs of the local, regional and national strategies. This approach will also allow us to reach out to under-represented groups, making us a more inclusive organisation. In order to achieve this, we have taken the strategic decision to subcontract part of our provision to partner organisations that will demonstrate high quality delivery and enable sharing of good practice.

2 Start Ltd subcontracts apprenticeship training for one strategic purpose:

1. As part of our apprenticeship programmes, learners work through Functional Skills in English and Maths. 2 Start Ltd does not have the facilities or capabilities to complete this directly, so to enable 2 Start Ltd to offer the current apprenticeship programmes related to HGV Training, Transport and Warehouse Manager, we will

subcontract the level 1 and 2 English and Maths Functional Skills to a provider that is better equipped to support these apprentices.

Upon successful completion of the application and selection process, 2 Start Ltd will enter into sub-contractor agreements annually, to commence each funding year. A contract must be signed and on file before delivery commences unless agreed prior with the funding authority.

2 Start Ltd does not appoint sub-contractors that hold an aggregate contract value of £100,000 or above per academic year, including any proposed provision, unless they are listed on the Register of Training Organisations or the Register of Apprenticeship Training Providers.

B) SELECTION

Upon request to subcontract with 2 Start Ltd, the subcontractor will arrange to meet 2 Start Ltd's Managing Director and/or the Apprenticeship Manager to discuss the purpose for subcontracting and identify needs to subcontract, as defined above.

No agreements for subcontracting will be made between 2 Start Ltd and the potential subcontractor, until pre-contract and due diligence checks have taken place and the subcontractor has been deemed high quality and low risk.

The Managing Director and/or the Apprenticeship Manager will inform the Quality Assurance and Compliance Manager of any potential subcontractors and contract values, to enable pre-contract checks to take place.

Potential subcontractors that are not listed on the Register of Training Organisations must not be appointed if they already hold contracts with an overall value of £100,000 or above per academic year with one or more directly funded providers, or if the subcontract from Mantra Learning Group, would take the total value of their contracts over £100,000. In such cases, the potential subcontractor must be listed on the Register before any discussions can take place to subcontract with The Mantra Learning Group.

We will only award contracts 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.

We will not award a contract to a legal entity if:

- It has an above average risk warning from a credit agency.
- It has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed,

- Or
- Its statutory accounts are overdue.

C) PRE-CONTRACT CHECKS

All potential subcontractors will undergo rigorous due diligence checks prior to any contracts being signed. These checks will include, but not limited to:

- Details of Partners/Directors, contact names and addresses and company registrations
- Financial viability health checks
- Relevant policies and procedures
- Details of other ESFA/EFA contracts
- Schemes of Learning for proposed programmes
- Schedules and findings of observations of teaching, learning and assessment
- Details of resources to support proposed training
- Risk assessments for delivery locations
- Details of any accreditations and latest awarding body reports
- CVs including professional qualifications and DBS checks of all staff
- CPD records for all delivery staff
- Evidence that staff have undertaken Safeguarding, Prevent and equality & diversity training
- Data protection processes and policies, including GDPR compliance

Contracts will not be issued to subcontractors where the financial checks have been failed.

Completion of a due diligence checklist will be required by all potential subcontractors. The due diligence checklist, requested documentation and an example copy of a contract, must be supplied by, and returned to, 2 Start Ltd's Quality Assurance and Compliance Manager.

The Quality Assurance and Compliance Manager will collect and review all documentation provided by the potential subcontractor. Once satisfied that all documentation has been provided it must be communicated to 2 Start Ltd's Apprenticeship Manager.

The Apprenticeship Manager will work with the Quality Assurance and Compliance Manager to assign a member of the quality team to arrange a quality monitoring with the potential subcontractor. This visit will be to:

- Review the effectiveness of quality systems and processes
- Verify assessment practices and standards (Awarding body reports)
- Effectiveness of delivery methodology, to include Observation of Teaching, Learning and Assessment, sample observation reports, and learner views
- Conduct an observation of teaching and learning/work scrutiny
- Ensure staff hold/or are working towards the relevant qualifications required for the delivery of potential provision
- Review the arrangements in place to support functional skills delivery, if applicable
- Review compliance with contractual and funding requirements
- Review the effectiveness of self-assessment and quality improvement planning
- Analyse complaints and safeguarding concerns
- Review use of learner and employer feedback and how it is gathered by the potential subcontractor
- Identify potential training requirements
- Review Ofsted readiness
- Ensure data protection processes are being maintained
- Determine risk rating of potential subcontractor and identify any significant issues which may impact on the delivery of the potential planned provision

Risk rating will be identified by an RAG rating system. This will indicate whether the potential subcontractor is low (Green rating), medium (Amber rating) or high (Red rating) risk. This is determined by the overall effectiveness of the potential subcontractor following the outcome of the quality visit.

If it is identified that the potential subcontractor has development needs, a development plan must be agreed and put into place.

The Apprenticeship Manager and Quality Assurance and Compliance Manager will complete the due diligence document and store this securely, as well as documentation requested.

The Apprenticeship Manager and the Quality Assurance and Compliance Manager must inform 2 Start Ltd's Managing Director of the outcome of the quality monitoring. This will include risk rating, development plans and any concerns relating to the potential subcontractor.

The Development plan and/or contract agreements may then be agreed. If the contract is not agreed at this time, the relevant managers will communicate the decision to the potential subcontractor. If applicable, another quality visit will be arranged by the quality team to provide an update on development plan activities and review the risk rating, based on any improvements made by the potential subcontractor.

D) CONTRACT AGREEMENTS

2 Start Ltd's Managing Director, Strategic Director and Contracts Manager will discuss and agree contract agreements for the subcontractor.

A contract will be drawn up and agreed by both parties. The contract must be signed by an eligible member of the senior management team within the subcontractor organisation and 2 Start Ltd's senior management team.

Contract content must include, but not limited to:

- Agreed funding allocation and management fee
- Internal process expectations for observations, CPD and training
- Performance monitoring procedures
- Data reporting
- QIP/SAR expectations
- Admin processes for submitting learner and employer paperwork
- Process for recording, submitting and processing early leavers
- Specific arrangements for the delivery of Functional Skills, if applicable
- Learner feedback
- Complaints, H&S, safeguarding incidents and data protection breaches reporting arrangements to Mantra Learning Limited
- Procedures in the event of suspension and/or withdrawal of contract
- Renewal terms of the yearly contract

Signed and agreed contracts will be held within the contracts department.

If it is agreed that training will be provided, a training schedule must be prepared and agreed between Mantra Learning Limited and/or The National Logistics Academy and the subcontractor.

E) PERFORMANCE MONITORING AND CONTINUOUS QUALITY IMPROVEMENT

2 Start Ltd is committed to supporting all Subcontractors to develop and deliver high quality provision through robust quality assurance and improvement processes, to ensure that public funds are protected and used effectively to deliver high quality provision for learners and employers.

In order to ensure that subcontractors are performing to an agreed standard, the following key performance data will be closely monitored:

- Achievement rate data across functional skills levels 1 & 2 in English and Maths (to include review of early leavers and learners passed or approaching end date)
- Revenue (profile against allocation)
- Progress data
- Observation/work scrutiny data
- Learner feedback data
- Development plan updates
- Internal Audit Report
- External audits and/or awarding body visits where applicable
- Complaints, safeguarding, H&S and data protection incidents

The above areas will be reported at the senior management meetings and any concerns will be identified and addressed by the quality team with the subcontractor.

2 Start Ltd will conduct learner and employer forums. This can be conducted as part of observations and/or over the telephone. Subcontractors will be required to conduct their own learner and employer forums and the results must be shared with 2 Start Ltd's senior management team on request.

Quality monitoring from 2 Start Ltd will take place throughout the contract year by virtual means. The frequency of these visits will be dependent on the risk rating given at the previous quality check and can be unscheduled:

GREEN – Subcontractors will receive quality monitoring (minimum of 2 per year) and will be subject to yearly approval/due diligence checks

- Effective systems for measuring the quality of teaching, learning and assessment for all tutors/assessors are in place and provides the appropriate supporting evidence
- All due diligence checks are completed and approved
- Internal audits and compliance checks are good
- Staff are attending sufficient CPD and standardisation activity
- Learner satisfaction rates are good
- Subcontractor is achieving or exceeding all agreed KPIs (e.g. success rates)
- All awarding body requirements are met
- OFSTED grade is at least grade 2 (where applicable)

AMBER – Subcontractors will need to complete an appropriate action/development plan within the agreed timeframes and will be subject quarterly quality monitoring

- Systems for measuring the quality of teaching, learning and assessment for tutors/assessors are in place but may not be effective or provide satisfactory evidence
- Most due diligence checks are completed and approved
- Internal audits and compliance checks are at least 'requires improvement'
- Staff are attending some CPD and standardisation activity.
- Learner satisfaction rates are at least 'requires improvement'
- Some KPIs are being achieved (e.g. success rates)
- Most awarding body requirements are met and are of DCS status (where applicable)
- OFSTED grade is a grade 2 (where applicable)

RED – Subcontractors will need to complete an appropriate action plan within the agreed timeframes and will be subject to a high frequency of quality monitoring. Delivery may be temporarily suspended activity until action plan is completed and achieved.

- Systems for measuring the quality of teaching, learning and assessment for all tutors/assessors are not in place and do not provide any evidence
- Due diligence checks are not completed and subject to approval
- Internal audits and compliance checks are at least requires improvement
- Staff are attending no CPD and standardisation activity.
- Learner satisfaction rates are at least requiring improvement
- KPIs are on the whole not being achieved (e.g. success rates)
- Awarding body requirements are not being met
- Some course success rates are at/above national average
- OFSTED grade is grade 3 (where applicable)

Should a subcontractor receive a risk rating of red, The Managing Director, Quality Assurance and Compliance Manager and the Apprenticeship Manager must be informed, and sections G and H of this policy must be followed, dependent on the rationale for the risk rating.

Subcontractors will be RAG rated after each quality visit and/or performance review based on key performance data.

Frequency of quality visits can be changed based on concerns from any of the key performance data reporting or as a result of concerns raised during a quality visit.

External audits may be conducted by awarding bodies and/or the ESFA during the contract year. In the event of an audit, subcontractors affected must be notified by a member of the quality team if the provision is part of their contract with 2 Start Ltd. If the paperwork requested is kept on the subcontractor premises, 2 Start Ltd must arrange for this to arrive no later than 3 days prior to the external audit.

In the event of an Ofsted inspection, quality team must inform subcontractors and request a schedule of activity taking place during period of inspection at the subcontractor's premises. These schedules must be added to 2 Start Ltd's full schedule of activity. The subcontractor must cooperate fully and in a timely manner following any requests for information.

F) DEVELOPMENT AND ACTION PLANNING

Development plans will be implemented should a subcontractor fail to meet KPI's outlined in their contract or where standards fall below minimum expectations. Development actions may be identified following a quality monitoring, review of KPI data or following the results of a recent external audits/visits.

Formal Action plans will be instated where a subcontractor has failed to address actions from development plans or due to significant failure in meeting KPI's as outlined in the subcontractors' contract.

The subcontractor must inform 2 Start Ltd if they cannot fulfill the required actions for any reason.

A member of 2 Start Ltd's quality team will monitor the progress and completion of any development or action plan that is in place. This will require quality monitoring where a member of the quality team will review the evidence or remotely.

A development plan and/or action plan, will only be signed off once 2 Start Ltd are satisfied that all actions have been addressed and there is clear evidence in place demonstrating ongoing monitoring of the areas identified.

G) SUBCONTRACTOR DEVELOPMENT

All subcontractors will be invited to participate in 2 Start Ltd's CPD activities and other activities which will help to drive quality improvement and meet ESFA requirements.

2 Start Ltd will support all subcontractors with development opportunities where possible. This can include but not limited to:

- Safeguarding processes and training
- GDPR processes and training
- Policies and procedures
- Health and Safety processes and training
- Quality of teaching and learning
- Ofsted requirements and preparation

Development will be discussed with each subcontractor to determine requirements and support to be provided.

Where subcontractors are not willing to improve their development, the suspension of contract terms will be discussed with the subcontractor and the suspension of contract terms will be invoked.

H) SUSPENSION OF CONTRACT TERMS AND/OR CONTRACT CHANGES

2 Start Ltd can suspend a subcontractor's contract should any of the following occur:

- Red RAG rating given, following quality visit or following a risk assessment the subcontractor is identified as a risk
- Failure to comply with a Formal Action Plan
- Breach of contract terms and conditions
- Following Ofsted inspection the subcontractor is graded as inadequate
- Following significant failure of an external audit or awarding body visit
- On receipt of a serious complaint/feedback
- Where fraudulent activity is suspected
- Data protection breaches and investigation

In the event of any of the above, the quality team members and/or managers involved in subcontracting management must inform 2 Start Ltd's Managing Director of possible suspension of contract. The Apprenticeship Manager and Quality Assurance and Compliance Manager will investigate and make the final decision on suspending contract terms or moving to withdrawal of contract, further detailed in section H of this policy.

Timescales must be communicated to the subcontractor on when the decision to suspend contract terms may occur.

The subcontractor must fully co-operate, with any investigations and/or discussions necessary for the Apprenticeship Manager and Quality Assurance and Compliance Manager arrive at their decision.

The outcome of the investigation must be communicated to the subcontractor in writing detailing actions required by the subcontractor and the relevant timescales involved.

In the event that the subcontractor does not agree with the outcome of the investigation, they can escalate their concerns to 2 Start Ltd's Managing Director. The Managing Director's outcome will be the final escalation within 2 Start Ltd.

Where contracts are reduced or revised, a contract variation will be sent by the Quality Assurance and Compliance Manager to the subcontractor with agreed outcomes.

I) PAYMENT TERMS

2 Start Ltd will agree to pay the Subcontractor the Payments for the Sub-Contracted Services, subject to the subcontractors performing its obligations under this Agreement satisfactorily and within the time scales set by 2 Start Ltd and subject to 2 Start Ltd having received payment under the Main Contract.

The Payments include all taxes and employers' contributions and shall be payable against submission of invoices from the subcontractor.

If the Employer or the ESFA:

- refuses to pay 2 Start Ltd for any of the Sub-Contracted Services undertaken by the subcontractor under this Agreement; and/or claims money
- back from 2 Start Ltd in respect of any of the Sub-Contracted Services; and/or
- requires that any or all of the Sub-Contracted Services undertaken by the subcontractor be performed again to such a standard as it may reasonably require under the Main Contract or the ESFA Rules;

All payments to the Member will be by way of electronic payment to an account specified in writing by the subcontractor within 30 days from the date of when the invoice is submitted in accordance with Schedule 4 of the Subcontractor Agreement.

J) TERMINATION OF CONTRACT TERMS

1) Voluntary withdrawal of contract terms

Should a subcontractor wish to terminate their agreement with 2 Start Ltd they must do so in writing to the Apprenticeship Manager with proposed timescales.

The Apprenticeship Manager must inform the relevant managers and Managing Director of the subcontractors' intention to withdraw from their contract terms.

The subcontractor must fully cooperate with 2 Start Ltd, to ensure that there is no negative impact on the learners under the subcontracted provision.

The subcontractor must inform learners and employers of their intention to withdraw from 2 Start Ltd's funding and that the Apprenticeship Manager will contact them in due course to ensure that their learning is not affected by this change.

Paperwork stored on the subcontractor's premises must be returned to 2 Start Ltd.

2) Enforced withdrawal of contract terms

2 Start Ltd will enforce a withdrawal of contract terms should any of the following occur:

- Mutual agreement to end contract between 2 start Ltd and subcontractor
- Serious breach of contract terms and conditions including serious data protection breaches
- Continuous underperformance of set KPIs
- Subcontractor declares company liquidation

The subcontractor must fully cooperate with 2 Start Ltd to ensure that there is no negative impact on the learners under the subcontracted provision.

The timescale will be communicated by 2 Start Ltd to the subcontractor in relation to final assessment dates, delivery dates and final paperwork submission dates.

2 Start Ltd will inform learners and relevant employers of their intention to withdraw the contract from the subcontractor.

Paperwork stored on the subcontractor's premises must be returned to 2 Start Ltd.

K) DISPUTE RESOLUTION

Any dispute, difference or question in respect of this Contract arising between the Parties either during the Contract Period or afterwards shall be referred to the nominated contacts for 2 Start Ltd and the subcontractor for discussion and review in order to try to resolve the same.

In the event of the nominated contacts being unable to resolve the relevant issue, either party may request in writing that the matter is referred to 2 Start Ltd's nominated representative and the subcontractor representative nominated for this purpose (jointly **"the Dispute Resolution Panel"**) for formal review and consideration. Any request for referral to the Dispute Resolution Panel must include details of the dispute and any proposals to resolve it.

The Dispute Resolution Panel will meet within 28 days of receiving a request for referral made in accordance with Paragraph above.

L) RE-CONTRACTING

Where a subcontractor wishes to continue to subcontract from 2 Start Ltd, the process outlined within this strategy will be followed for every funding year.

Signed:



Date: Jan 2024

Review date: Jan 2025

Version: 1

