



SUBCONTRACTOR POLICY

2021/22

(incl fees and charges)

Effective from: August 2021

Approved by: Darrell Bate, Director of Maritime Training and Development

Next Review Date: July 2022

1. Scope and aim

- 1.1 This policy applies to all UKPRN training providers that deliver on behalf of Marine Society. In 2021/22 this is limited to adult education and apprenticeship provision within England only (excluding MCA devolved areas).
- 1.2 This policy will be updated annually by the Director of Maritime Training and Development and approved by the Council. We will publish the updated policy and fees paid on the Marine Society website by 31st October each year, or in line with funding rules.
- 1.3 The aim of the policy is to provide accurate, transparent and comprehensive information on the fee policy that Marine Society will adopt when subcontracting its provision. This policy is published in line with ESFA requirements, as stated in the funding rules for 2020/21 and requirements of the assurance policy [[see provide external assurance on subcontracting controls by submitting a certificate](#)]

2. Rationale for subcontracting

- 2.1 Marine Society subcontracts to other delivery partners who can assist in achieving its charitable objectives and in order to:
 - Meet the technical training needs of our apprentice employers, specifically the expertise and specialist resources to deliver MCA-approved training courses
 - Extend our reach to maritime sector employers and representative bodies
 - Positively contribute to widening engagement of learners in programmes that lead to progression and employment through adult education within the maritime and youth development sectors
 - To enable Marine Society to grow its capacity for direct delivery through effective partnership with specialist subcontractors
- 2.2 Subcontracting arrangements in line with the above objectives will be dependent on available funding.

3. Due Diligence

- 3.1 All providers are subject to a robust, comprehensive due diligence process prior to a contract being awarded. This risk-based approach takes into consideration a variety of aspects, including (but not limited to): previous track record, financial standing, learner numbers, QARs, Ofsted grade, type of provision, ability to deliver high-quality provision and ability to meet our employers' needs.

- 3.2 Delivery partners who are part of the supply chain delivery to levy employers may be required to undertake additional checks by the employer.

4. Management Fees

4.1 Adult Education Provision

The percentage management fee for subcontractors is set at a maximum 20%. Factors that determine the management fee charged include (but are not limited to):

- Historical quality of performance
 - Previous contract delivery
 - Size of provision
 - Required level of support needed to ensure high quality of teaching and learning
 - Technical expertise and experience of the provider
- 4.2 All of the above would impact on the amount of management, support and development needed, in line with the frequency of visits. All new subcontract partners will be informed of their initial risk rating and management fees to be associated with their contract at the first meeting.
- 4.3 Each subcontractor will be reviewed at the end of each academic year, and their ongoing arrangement for the year ahead – including proposed fees and risk rating will be approved by the Council. Subcontractors will be informed of the arrangements as part of the contracting process.
- 4.4 Management fees will be deducted at source, and Marine Society will make monthly payments to providers based on the current submission of data and supporting evidence to validate learning delivery. All funding claims must comply with the current ESFA funding rules and the terms of the agreement between Marine Society and the delivery partner. Where funding claims cannot be substantiated, Marine Society will adjust or reclaim any funds from the subcontractor, and, where required, make an appropriate repayment to the Education and Skills Funding Agency.

5. Apprenticeships

- 5.1 Subcontractor fees will be negotiated as a percentage of the framework rate for the particular apprenticeship standard. This is determined according to the proportion of direct delivery by Marine Society in accordance with Rule 169 of the [Apprenticeship Provider Funding Rules 2021/22](#) which state;

‘The volume of training and / or on programme assessment that you directly deliver for each employer must have some substance and must not be a token amount to satisfy this rule. It must not be limited to a brief input at the start of each employer’s programme or involve delivery to just a few of a large number of apprentices. It does not include simply delivering English or maths or aspects of the

apprenticeship which all apprentices must have, such as safeguarding, British Values or progress reviews / target setting.'

- 5.2 Marine Society will hold the agreements with the EPA organisations and pay for the first end point assessment. Therefore, the agreed EPA price will be held back to fund the EPA costs.
- 5.3 Marine Society will be responsible for ensuring that apprentice employers of subcontracted provision adhere to the funding rules and the requirements of awarding body and EPA organisations. The employer will be required to provide pre-delivery information to ensure a robust delivery infrastructure and model is in place. Marine Society will conduct health and safety and legal pre-checks.

6. Management, Support and Capacity Building

- 6.1 Marine Society aims to support all delivery partners to develop high-quality provision that meets the needs of learners and exceeds the expectations of employers where applicable. Marine Society and the delivery partner will review the services provided and consider how there will be an impact on the quality of the learner experience. The management fee deducted from allocated funds is used directly to provide a comprehensive and flexible programme of support, as well as compliance measures to ensure that public funds are protected and used effectively, and that partners are supported to develop their provision and extend their business.
- 6.2 Marine Society will identify the individual delivery partners' support needs during contracting and adjust as required in year. The exact mix of support will vary depending on the needs of each individual delivery partner, but all organisations can expect to benefit from the following list of activities:
 - Director of Maritime Training and Development to manage the relationship with the subcontractor and provide guidance.
 - Subcontracting Management Framework and a dedicated Curriculum Manager-Adult Learning for subcontract partners to ensure the quality of delivery meets expectations and supports continuous improvement of the provision.
 - Administration of learner and employer surveys and focus groups.
 - MIS, Audit and ILR services.
 - Quality assurance and development services.

7. Payment Terms

7.1 Apprenticeships

Marine Society will provide subcontractors with a proforma invoice after each monthly ILR return setting out the funding amount net of direct delivery fees (e.g. English and mathematics). The amount will be calculated using the Apps Monthly

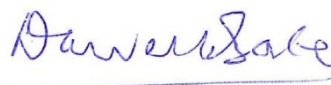
Payment report and this evidence with submitted together with the proforma. Non-levy employer contributions collected by Marine Society form part of the total funding.

7.2 Adult Education Budget

Subcontractors will invoice Marine Society the earned funding net of management fees on completion of their contractual delivery or after R14 final return, whichever is the sooner. The calculation will be based on the ILR Occupancy Report filtered using the subcontractors delivery filed.

Marine Society reserves the right to withhold a proportion of due payments to the delivery partners if tolerance levels are not adhered to for producing evidence of recent contact. Monies will be released when appropriate evidence is received. Full details of payment arrangements for each delivery partner are included in each individual contract. Any amendments will be based on guidance from the current version of the ESFA funding rules.

Signed:



Date: August 2021

Name: Darrell Bate

Title: Director of Maritime Training and Development

ANNEX

Subcontractor fees and services 2020/21 – Adult Education

Services provided for Management fee	Learning Curve Ltd	LASS Ltd	Description of reasonableness & contribution to high quality learning	Retained Fee %
The Marine Society provides a Contract Manager to manage the relationship with the subcontractor and provide guidance on strategic direction	£1,875	£1,250	To ensure regular communication and timely sharing of information	2.50%
The Marine Society provide a Quality Lead to ensure that the quality of subcontractor's delivery meets its expectations and to support the continuous improvement of the subcontractor's provision.	£1,875	£1,250	To quality assure all provision to ensure high standards of teaching & learning are upheld and to identify areas for improvement	2.50%
The Marine Society provides administration support to ensure the timely recording of learner information on the College's ILR.	£1,875	£1,250	To ensure delivery profiles are met and payments are made in a timely manner	2.50%
The College undertakes a regular and substantial programme of quality assurance checks on the education and training provided by subcontractors, including visits at short or no notice and face-to-face interviews with staff and learners. These checks include whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes.	£3,750	£2,500	To quality assure all provision to ensure high standards of teaching learning and assessment are upheld and to identify areas for improvement	5.00%
The Marine Society ensures that all of the subcontractor's delivery meets the Education & Skills Funding Agency's Funding Rules for Adults 2019/20 .	£1,125	£750	To ensure compliance with funding rules	1.50%
The Marine Society administers learner and / or employer surveys, focus groups and other methods of stakeholder feedback	£1,125	£750	To obtain feedback from stakeholders on the quality of teaching and learning	1.50%
The Marine Society provides a bi-annual 'Partner meeting' to disseminate policy updates,	£1,125	£750	To share best practice and provide an opportunity to update on new policy changes	1.50%

training opportunities and sharing of best practice				
The Marine Society undertakes a 'Performance Monitoring' meeting every ½ term (6 weeks)	£1,125	£750	To monitor progress against targets and identify area for improvement	1.50%
The Marine Society provides the partner with opportunities to attend regular CPD training including updates on Safeguarding and Prevent	£1,125	£750	To enable subcontractor staff to access CPD training to upskill on specific topics	1.50%
Total	£15,000	£10,000		20.00%

Subcontractor payments – Apprenticeships 2020/21

SeaRegs Training Ltd

2020/21	R04	R05	R06	R07	R08	R09	R10	R11	
	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Totals
Gross income	£ 1,520	£ 1,680	£ 29,060	£ 18,705	£ 25,598	£ 18,039	£ 18,039	£ 13,239	£124,360
Sea Regs	£ 1,216	£ 1,344	£ 23,248	£ 14,964	£ 20,478	£ 14,431	£ 14,431	£ 10,591	£ 99,488
Net income	£ 304	£ 336	£ 5,812	£ 3,741	£ 5,120	£ 3,608	£ 3,608	£ 2,648	£ 25,176

**SUB-CONTRACTOR QUALITY ASSURANCE & MONITORING
SCHEDULE 2020/21**

Date	Sub-Contractor	Meeting Focus			Notes
		Management Meeting	Compliance audit/ document scrutiny	Quality check/ Observation	
05/11/2020	SeaRegs	X			Initial scoping meeting with management
12/11/2020	SeaRegs		X		Due Diligence H&S virtual tour
12/12/2020	SeaRegs	X			Monthly operational meeting
21/01/2021	SeaRegs	X			Monthly operational meeting
17/02/2021	SeaRegs	X			Monthly operational meeting
28/02/2021	LASS Ltd			X	Visit to training centre Portsmouth/review facilities/H&S/Safeguarding
24/03/2021	SeaRegs	X			Monthly operational meeting
21/04/2021	SeaRegs	X			Monthly operational meeting
04/05/2021	LASS Ltd			X	Sample calls to learners
06/05/2021	Learning Curve Ltd			X	Sample calls to learners
15/05/2021	SeaRegs			X	Visit to training centre (Royal Docks) Observation of STCW session
01/06/2021	SeaRegs	X			Monthly operational meeting
14/06/2021	Learning Curve Ltd			X	Sampling of e-assessor marked work and feedback
29/06/2021	SeaRegs	X			Monthly operational meeting
29/07/2021	SeaRegs	X			Monthly operational meeting
19/08/2021	SeaRegs			X	Visit to training centre (Plymouth) Observation of RYA Powerboat L2 practical
2-5/6/21	SeaRegs			X	Observation of Progress Reviews (virtual)

30/07/2021	LASS Ltd	X			Meeting to discuss FM36
20/02/2021	LASS Ltd		X		Due Diligence checks

As at Aug-21

Subcontractor Monitoring Tracking	Compliance	Quality Monitoring	Finance	Safeguarding/H&S
SeaRegs Training Ltd				
Learning Curve Ltd				
LASS Ltd				

	Does not meet expectation
	Partially meets expectations
	Meets expectations