

Sub-Contracting Rational And Fees Structure 2020/21

This policy outlines our rationale for working with sub-contract Partners, how we will manage our relationship and how public funds will be distributed. It has been updated to reflect the **ESFA Reforms to Subcontracting Education for Learners Over 16** (June 2020).

1) Rationale for Sub-Contracting of Provision

BCTG and its sister companies offer employers and individuals, **a one stop shop**, to access a comprehensive range of skills training including apprenticeships and vocational qualifications.

Over the last three years, BCTG has actively reduced the volume of traditional sub-contracted activity. We have achieved this by significantly increasing our own direct delivery and by ending relationships with poor performing Providers.

However, we recognise that for us to offer the best quality experience for every learner and employer, there will be some instances where we need to work with high quality delivery Partners. This may be at the request of the employer or individual, or to provide the relevant sector, geographic or specialist expertise.

To achieve this, we may work with several Partners in a single employer, each delivering different elements of the agreed programme or a single specialist. Some Partner relations may be temporary to meet the needs of a specific learner, or longer term to allow us to support an employers' ongoing needs. But in every instance, we will have a direct contractual relationship with every employer and learner to quality assure and coordinate the training provision they require.

2) Executive Approval & Monitoring

Sub-Contract or Partner delivery should only be necessary to;

- enhance the opportunities available to young people and adults
- fill gaps in niche or expert provision, or provide better access to training facilities
- support better geographical access
- offer an entry point for disadvantaged groups.

Therefore, all existing and any new proposed sub-contracting relationships will be subject to review to ensure they meet one or more of the above.

Approval

At the start of each academic year, the BCTG Advisory Board will, using the above rationale, consider and subsequently approve, the role and contribution of each proposed sub-contract Partner. This will be documented in the appropriate Board minutes.

In year, any new or revised provision, will require approval of the Group Operations Manager prior to any activity taking place. Any changes to provision will be subject to ratification by the Advisory Board at their next meeting.

Monitoring

Day to day responsibility for implementation of this policy will be delegated to the Group Operations Manager. They (or their deputy) will provide a full report on performance of each sub-contractor at each Advisory Board meeting. This will include any actions or interventions necessary to ensure BCTG retains effective control of the provision.

3) Agreeing Costs with Employers & Individuals

We will agree a total cost for the programme with the employer or individual in advance. As part of our Employer Agreement and Partner Agreements, we clearly indicate how any government funding, levy funding or employer contribution will be distributed between BCTG and any Partners.

4) Distribution of Funding

Apprenticeship Programmes

BCTG will use up to 20% of the negotiated Training Fee to meet the costs of the following core elements of each programme. This value is negotiated and agreed with each employer for every learner.

This income will meet the costs of the following elements.

- BCTG's Direct delivery of substantial core elements of each learners' programme – 40%
- Quality assurance of direct delivered and sub-contractor learning – 30%
- Management and co-ordination of sub-contractor elements – 30%
- Eligibility checks, compliance and administration of each programme - £100

For example

Training Price agreed with employer = £5400

BCTG Costs (20%)	Partner Costs (up to 80%)
£1,080.00	£4,320.00

This would be reflected as follows in the Employer Agreement.

8. BCTG Funding Agreed	
(a) Direct Training Delivery & On-programme assessment (to include e-learning)	£ 392.00
(b) Programme administration	£ 100.00
(c) Manage, monitor and support delivery Partner(s)	£ 294.00
(d) Quality assure Partners training delivery	£ 294.00
(e) Paid to End-Point Assessment Organisation	£

Adult Education Budget Provision and 19+ Traineeships (including ESFA & WMCA).

If AEB or Traineeship provision is sub-contracted, typically 20% of funding will be used by BCTG to meet the costs of any elements of direct delivery, quality assurance and completing of pre-start eligibility checks. BCTG will agree in advance with each delivery Partner, the maximum cost of their contribution to the learners' programme.

16-18 Study Programme (up to 24 for LLDD) & 16-18 Traineeships

BCTG delivers Study Programmes and 16-18 Traineeship Programmes under the brand Kickstart Plus. Where we sub-contract any elements of a programme, we will agree a funding rate with the Partner Provider for their delivery based on overall Guided Learning Hours. As with other programmes, BCTG will retain a proportion of the funding to meet the costs of any direct delivery, quality assurance and completion of pre-start eligibility checks.

Other Provision

Any other activity delivered by Partners will usually be subject to the standard management fee of 20%. However, dependant on the nature of the programme, the level of BCTG support required by the Provider, or funding available for the activity, this may be altered at the discretion of BCTG. Specific fees charged for other activity will be subject to negotiation between BCTG and the Provider at the time of contracting.

Due Diligence

All Partners must undergo comprehensive Due Diligence checks prior to any contracting. They will be selected on the basis of track record, specialism and location to ensure BCTG is able to effectively respond to learner and employer demand.

General Principles

Any Partner Fees will be deducted at source. Where required, the Employer Agreement will clearly state the cost of administering the programme, costs of learning delivery provided by BCTG and the costs of any training delivered by Partner Providers. Partner Providers will also agree these values prior to the programme start.

BCTG will make payments to Partners based on the correct submission of data and supporting evidence to validate their learning delivery. All funding claims must comply with the current Education & Skills Funding Agency (ESFA) or West Midlands Combined Authority (WMCA) Funding Rules and the terms of the agreement between BCTG Ltd and the individual Partner Provider. Where funding claims cannot be substantiated, BCTG will adjust or reclaim any funds from the Partner, and where required make an appropriate repayment to the ESFA/WMCA, employer or learner.

Partner Support and Capacity Building

BCTG is committed to ensure all Partners develop and deliver high quality provision that meets the needs of learners and exceeds the expectation of employers. Retained funding is used to provide a comprehensive programme of quality support and compliance for Partners. This includes training and systems to ensure that public funds are used correctly.

The support provided varies dependant on the needs of the individual organisation, but will include some or all of the following;

- Management of End Point Assessment
- English & Maths staff development
- Employer Engagement & Brokerage
- Employer Telemarketing Campaigns
- Sales & Consultative Selling Training
- Subsidised DBS Applications
- Designated Safeguarding Officer Training
- Employer Recruitment via The Apprenticeship Works
- Health & Safety Training and Consultant Support
- Learner Recruitment via The Apprenticeship Works

- Support to develop Learner Voice Strategies
- Preparation for External Inspection and/or External Audit
- Quality Consultant Support
- Safeguarding Training & Consultancy
- Self-Assessment & Quality Improvement Support
- Strategic Management Development
- Subject Learner Coach Support
- Subsidised English & Maths Assessment materials
- Subsidised IAG Qualifications
- Subsidised Management Development Qualifications
- Subsidised TAQA Qualifications
- Staff development resulting from Teaching & Learning Observations (Inc. Paired Observations)

Payment Terms

BCTG will make payment to Partners on the nearest working day to 23rd of each month. Payment is subject to the correct evidence and data being submitted to BCTG by the agreed monthly deadline. Any claims submitted after the deadline will not be processed and deferred to the following month.

Adjustments may be made to specific payments where evidence of eligibility, continued participation or achievement cannot be validated. Any amendments will be based on guidance provided by the current version of the ESFA/WMCA Funding Rules.

Policy Review & Publication

The policy will be reviewed annually in July of each year. The policy will be published at www.bctg.org.uk



Chris Luty M.Sc. MCIPD MIoD
Group Chief Executive
August 2020

