

# Subcontracting Policy and Procedure



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## Change History

Version number	Date of Release	Policy Owner	Authorised by
1.0	01/12/2016	Operations Director	Audit & Risk Committee
2.0	27/09/2017	Commercial Director	Board of Trustees
3.0	27/09/2018	Commercial Director	Board of Trustees
4.0	25/09/2019	Operations Director	Board of Trustees
5.0	30/09/2020	Chief Operating Officer	Board of Trustees
6.0	21/10/2021	Chief Operating Officer	Board of Trustees
7.0	01/09/2022	Chief Revenue Officer	Education & Training Committee
8.0	18/07/2023	Director of Education & Training	Education & Training Committee

## Policy Statement

This policy outlines Central YMCA's approach to subcontracting and sets a framework within which relationships with subcontracting partners can be developed.

## Scope

This is a mandatory requirement that must be in place prior to participating in any subcontracting activity. The Policy has been written in accordance with the Education Skills Funding Agency's (ESFA) requirements as set out in the current Funding Rules.

## Related Legislation and Contractual Obligations

This Policy complies with the [Funding Rules](#) and [subcontracting standard](#) issued by the ESFA as amended and updated from time to time, in relation to subcontracting provision.

The ESFA subcontracting standard was introduced from the 2022/23 funding year and will effectively act as a license to sub-contract.

The subcontracting standard provides a framework for the oversight and management of public funds, ensuring that these are used to best effect, to maximise the value of those funds to benefit the learner.

The framework will ensure that there is a clear and consistent approach for the contract management of subcontractors by Central YMCA and that there are robust assurance review arrangements.

It will assist in mitigating the risk of:

- inadequate (contract) management of subcontractors
- non-compliance with ESFA funding rules by subcontractors; and
- fraudulent and incorrect funding claims

**Appendix 1** outlines the requirements from the subcontracting standard that Central YMCA is required to follow.

Subcontracting does not relieve Central YMCA of any of its obligations or duties under its lead contract with the funding body.

Central YMCA remains responsible for the actions of its subcontractors in connection with the delivery of the subcontracted provision.

## Related Policies, Procedures, and Templates

- Subcontracting Business Case
- Subcontracting Framework
- Subcontractor Due Diligence Procedure and Checklist
- Pre-Qualification Questionnaire (PQQ) and Invitation to Tender (ITT)
- Procurement Policy
- Risk Management Policy and Corporate Risk Register
- Safeguarding, Child Protection and Prevent Policies
- Education and Training Continuation of Delivery Plan
- Data Protection Policy

## Responsibilities

Board of Trustees	Overall responsibility for the policies and procedures that govern the work at Central YMCA.
Chief Executive	Overall responsibility for ensuring Central YMCA's resources are used effectively and appropriately.
Policy Owner	Responsible for ensuring business rationale and robust frameworks for subcontracting are in place and that policies and procedures reflect our charitable ethos and values.
Line Managers	Responsible for ensuring all relevant employees are aware of and follow this policy and related procedures.
All Employees and Volunteers	To follow policies and procedures, promoting best practice throughout the organisation.

## Policy Review

### Review of impact against the aims of policy:

This policy has been drafted for approval by the Director of Education and Training and has been approved by the Education and Training Committee. All related procedures have been designed to match the contents of this policy.

The policy has been communicated successfully to all relevant staff and has been made available on the Charity's intranet and website.

This policy will be reviewed on an annual basis by the Policy Owner and signed off by the Education and Training Committee if any changes are made.

Next review date: March 2024

# Policy

## 1. Strategic rationale for subcontracting

Central YMCA engages with sub-contractors in order 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 for learners
- Offer an entry point for disadvantaged groups
- Provide consideration for the impact on individuals who share protected characteristics

Provision that meets one or more of the following criteria will be prioritised:

- Where the provision is in a vocational area that Central YMCA does not offer
- Where the provision is aimed at engaging hard to reach or NEET learners
- As a result of a collaborative bid where Central YMCA has been named as the lead provider.
- Establishing Strategic Partnerships enabling growth opportunities

Central YMCA will not subcontract provision in devolved regions unless requested to do so under the terms of the national contract or where contracts within devolved regions are in place with Central YMCA.

Central YMCA is committed to staying within the ESFA maximum cap of 25% for subcontracting and will only subcontract provision to support meeting our strategic rationale. Central YMCA will seek ESFA approval where there is demonstrable need to exceed the 25% cap to meet these objectives.

All potential subcontractors undertake a due diligence process that allows Central YMCA to review policies and procedures, delivery, quality, and performance before entering into any contract arrangement. Central YMCA will ensure contracts are legally compliant against Public Contract Regulation 2015.

Central YMCA 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.

Central YMCA 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;
- Has an Ofsted grade of Inadequate;
- Does not appear on UKRLP;
- The sub-contractor is inadvertently funding extremist or terrorist related organisations as directed under the Prevent statutory guidance.

## 2. Scope of Provision - Subcontracting

- The level of subcontracted provision will be determined as part of Central YMCA's annual business planning and ongoing review throughout the year. This level may vary necessarily from year to year in the volume of partners, curriculum offer and the value of overall contracts in line with current ESFA guidance.

- Subcontracts will be explored by the Executive Team, where there is an identified benefit to the community or employers.
- For all ESFA funded provision, all relevant procurement and tendering procedures will be followed, and reported to the Executive Team and Education and Training Committee as appropriate throughout the year.

### 3. Quality

As a Good provider Central YMCA will work with subcontractors to ensure that all provision is Good to Outstanding. Central YMCA will offer to its subcontractors:

- A contract mirroring funding body requirement
- Professional training and development for subcontractor staff
- Access to learning resources and materials
- Participation in Central YMCA Observation of Teaching and Learning process
- Participation in Central YMCA self-assessment process
- Access to the range of in-house training delivered by Central YMCA e.g., Teachers' Fair
- Monitoring of initial guidance, assessment, and delivery of learning programs
- Safeguarding advice, guidance and support

Learners enrolled at subcontracted providers will be able to:

- Access Central YMCA's IT systems as appropriate
- Access IAG services pre, on course and at exit
- Utilise Central YMCA's facilities and resources and use self-organised learning environments as available
- Use Central YMCA's support services such as, job search clubs and the health and wellbeing provision
- Subcontractors will collect, retain, and submit to Central YMCA on request all relevant documents and evidence of learner activity. This will be in line with Data Protection regulations and the Charity's Data Protection Policy.

### 4. Fees

- Central YMCA's standard Management fee is 20%. The maximum charge by Central YMCA will be 40% of the activity funded.
- Fees are set on an individual basis and may vary dependant on the cost incurred for support and management activity required to mitigate the risk level and ensure the quality and success of the subcontracted provision.
- Further additional services may be mutually agreed between Central YMCA and the partner. Additional services may be charged as a one-off fee or as a percentage of contract value.
- The fees charged reflect the cost of the procurement process and the management of the contracts. It also covers the cost of subcontractor delivery staff attending Central YMCA training events on Safeguarding, FGM and Prevent which are mandatory.
- A breakdown of the normal 20% fee is shown below:

Central YMCA Activity	% Indicative fee (may vary)	Contribution to high quality training	Explanation of how cost is proportionate to subcontracted training

Quality Monitoring	5%	Provides focus on quality of delivery.	Quality: Including observations supporting tutors with improvement/ learner feedback and assessment reviews/ learner walks/learner calls
Subcontractor Management	7%	Provides ongoing compliance with funding rules and regulations with focus on learner progress and success/achievement.	Contract compliance Contracting Contract Reviews Funding reports Performance management Managing Audits Partner review meetings
Support costs	6%	Provides quality administrative support for enrolments, data submissions and achievements.	Enrolments/Achievements Monthly reports Management Support
Other – Governance, Funding and data and Finance	2%	Ongoing governance and compliance with regulations, submission and audit of ILR returns. Support with audits.	All governance and financial control

Central YMCA will declare all subcontracting activity and management fees charged at the end of each academic year, publishing this data on the Charity's website.

## 5. Payment Terms

The exact form and amount paid will clearly vary from contract to contract. However, the following principles used apply:

- On programme funding will be paid on a monthly basis after the learner has become fundable.
- Requests for payment must be accompanied by relevant evidence.
- Achievement funding will be paid within 30 days of Central YMCA receiving the funding amount (as applicable to contract type).
- Central YMCA will charge between 20% and 40% of value of the activity. The exact fee will depend on the extent of the services provided.

## 6. Data Protection

- Central YMCA and its subcontractors need to comply with the Data Protection Act 2018 and the UK GDPR. As the lead organisation Central YMCA will act as the main Data Controller. Central YMCA acknowledges that the partner may also be considered a Data Controller, therefore the partner will need to produce a privacy notice to share with all learners.
- Each partner needs to ensure that transmission of personal data is undertaken on a secure basis.
- Any data breach must be reported to Central YMCA immediately on discovery.
- Further information can be found in Central YMCA's Data Protection Policy published on the Charity's website.

## 7. Safeguarding

Central YMCA takes its responsibilities for safeguarding extremely seriously. The subcontractor and relevant staff are responsible for:

- Agreeing to abide by Central YMCA's suite of safeguarding and prevent related policies and procedures including any amendments or updates made within the duration of the sub-contract.
- Participating in safeguarding training prior to commencing the sub-contract and any additional training requirements as directed by Central YMCA.
- Reporting through to the central safeguarding team in Central YMCA as per procedure, any safeguarding related cause for concerns, including the actions taken by the sub-contractor to support and safeguard the learner.
- Notifying the central safeguarding team if any learner is currently or has in the past worked with social care, in particular if they are a looked after child, on a child protection or child in need plan. In addition, if an early help assessment is in place to support the learner and wider family.
- Notifying the central safeguarding team if a learner declares a criminal conviction, as per procedure, to allow a risk assessment as appropriate, and a decision around risk management.
- The central safeguarding team and Human Resources department must be notified of relevant LADO and Person in Position of Trust (PiPOT) enquiries, concerns or referrals.
- Informing Central YMCA of any external speakers invited in to speak to learners, completing the necessary paperwork, and in liaison with Central YMCA reaching an agreement on inviting the individual/organisation in.
- Further information can be found in Central YMCA's Safeguarding Policy published on the Charity's website.

## 8. Contingency Plans

A contingency plan safeguards learners in the event that a subcontractor withdraws from the arrangement or goes into liquidation or administration.

Central YMCA's contingency plan is outlined in **Appendix 2**.

## Appendix 1 – Subcontracting standard

### 1. Selection and Review of Sub-contractors

Central YMCA will ensure:

- A clear educational rationale/business case is made for subcontracting which aligns to Central YMCA's corporate and operational strategies. The business case will set out the policy, business and operational objectives including consultation with stakeholders and research to determine the education rationale. This rationale must consider the expectation ESFA has for providers to reduce their subcontracted provision. The business case will be approved by the Charity's Education and Training Committee (a sub-committee of the Board of Trustees comprised of education specialists).
- The education rationale meets one or more of the following aims:
  - enhances the opportunities available for learners;
  - fills gaps in niche or expert provision or provides better access to training facilities;
  - supports better geographical access for learners;
  - offers an entry point for disadvantaged groups; or
  - gives consideration of the impact on individuals with shared protected characteristics, where there might otherwise be gaps.
- The drafting process for the specification and requirements breaks down the overall scope into more detail and then, progressively, and iteratively, refines it into schedules of detailed requirements, ensuring that the objectives for sub-contracting will be met and



the sub- contractor will meet the requirements of this standard, along with the requirements laid out in the funding rules.

- The procurement strategy covers the pre-qualification, qualification, and tendering procedures, including what pre-qualification is required in respect of the criteria, resulting in a Pre-Qualification Questionnaire (PQQ) being produced for those expressing an interest.
- The PQQ is sufficient to collect, but not limited to, the following information:
  - organisation background, including ultimate parent details including identity, ownership and background
  - principal activities (past and present)
  - organisation chart
  - contractor/sub-contracting approach
  - professional/commercial affiliations
  - legal and financial capability
  - quality management systems and Ofsted reports
  - experience and track record
- The procurement strategy/process ensures that a robust assessment process for selecting subcontractors has been established that will review the subcontractor's completed PQQ as well as their capability to control quality, delivery, quantity, price and all the other factors contained in the subcontract. Following a successful appraisal, the subcontractor will be placed on an approved list of contractors.
- The procurement process includes the drafting of the ITT documents, including ensuring the contract document sets out clearly, comprehensively, and unambiguously, the obligations of the parties to the agreement.
- The evaluation process includes not only the analysis of the potential sub-contractor's response to the main subject matter of the requirements set out in the ITT, such as price, delivery, quality, methodology, for example but also, most importantly, the quality of the bidder's offer. There will be a clear rationale for how the tenders are evaluated and scored.
- Following tender evaluation and, where appropriate, negotiation, it is satisfied that an offer has been made which meets its requirements in all respects, including budgetary and capability, and considers that it is able to accept an offer and award the contract to the tenderer who meets the contract specification. At this point an offer of an award will be recommended to the Education and Training Committee for approval.
- The contract management plan which determines how the contract will work once it has been awarded is drawn up in advance of contract award. It will set out how the obligations of all the parties should be carried out effectively and efficiently.
- The proposed subcontract will meet the agreed educational needs, that it is achievable and affordable, and it addresses the desired outcome(s) of the subcontract, critical success factors, the possible alternatives, including existing contracts, the risks including the extent and where they may fall, identification of any contingent needs and ramifications of proceeding and timescales.
- It seeks, and retains evidence of, ESFA approval for any agreed subcontracting terms in relation to distance learning and whole programme subcontracting for 16- to 19-year-olds.
- Management fees have been determined for the full range of funding retained and charges that they wish to apply, and these have been agreed by the Executive Team and published on Central YMCA website. These will only exceed 20% in exceptional circumstances, and it is recognised where they do, the ESFA reserves the right to challenge.

## 2. Contract Award and Management



Central YMCA will ensure:

- All awarded contracts are managed by staff who have clearly defined roles that have been agreed as part of the overall considerations in producing the business case.
- The defined roles ensure that contract ownership is clear, with the budget holder, senior responsible owner (SRO), and contract manager clearly defined.
- There are well defined policies and processes and a clear contract management plan, with a focus on outputs and a 'whole life' approach to performance. This will include evidence of how Central YMCA will:
  - Manage and oversee 16 to 19 distance and whole programme provision through the life of each learner's programme of study.
  - Define how whole programme subcontracting for AEB will be agreed and managed.
  - Ensure apprenticeship provision is not delivered solely by a sub- contractor, as per the apprenticeship funding rules with specific regard to substance, leading the relationship, and the subcontracted delivery complimenting the main Central YMCA's programme.
  - Carry out an annual policy and rationale review and obtain board approval to the revised documents.
- Overall ownership of contract management across Central YMCA is clear, with contract management being owned by a senior leader with responsibility for driving organisation-wide contract management performance.
- Contract management processes are aligned with, among governance processes, operational boards, and risk structures.
- Contract management issues and performance are reported through the governance structure, including Executive Team involvement.
- Regular assessment and evaluation takes place to ensure that the cost of contract management activities is justified and proportionate to the benefits obtained.
- Knowledge management is embedded, capturing key data and lessons from contract management process and experience both within Central YMCA and more widely.
- Professional contract management guidance is developed, or identified from external sources, and made available to contract managers.
- An appropriate assessment is carried out to ensure extremist organisations are not funded through the subcontracted Department of Education funding.

### 3. People

Central YMCA will have the right people in place to carry out the contract management activities through ensuring:

- Business continuity is ensured by ensuring there are appropriate handover / information sharing procedures in place.
- The contract manager has a detailed knowledge of the contract and other relevant issues, such as service level agreements, requirements in line with ESFA contract and funding rules and current sub-contractor performance.
- The contract manager has the appropriate skills (both specific contract management skills and more general commercial awareness and expertise), with access to relevant training and development.
- The contract manager has an accurate job description, and is positioned at an appropriate level and salary, with a career path.
- The contract manager has clear objectives and reporting lines, and their performance is managed through reviews and appraisals.
- The contract manager has appropriate delegated authority to manage the contract effectively.

## 4. Administration

In order to manage contracts and the timetable for making key decisions, Central YMCA will ensure:

- Signed contracts are stored and logged and are easily accessible when required; for complex contracts, a summary and/or contract operations guide should be produced.
- Key contractual information is recorded appropriately to allow, for example; search capability; documentation of up-to-date contract information; and key dates.
- There are mechanisms in place for identifying key contract 'trigger points', such as notice periods.
- There is schedule of regular as well as ad hoc reporting of contract management information and retention of appropriate documentation such as, minutes of contract meetings, reviews of teaching and learning etc.
- There are appropriate processes and procedures in place to ensure that contracts are closed and/or terminated efficiently.
- The cost of contract management activities to the sub-contractor has been considered, and the cost is proportionate to the contract size and risk.

## 5. Managing Relationships

In order to have procedures in place to manage its relationships with sub- contractors, Central YMCA will ensure:

- Proactive conversations and/or independent checks are undertaken in relation the sub-contractor at least on an annual basis which cover and document as a minimum:
  - the subcontractor's current ownership and person of significant control, notification will be made to ESFA where this has changed from a previous year.
  - the subcontractor's current/ latest financial health position.
  - a review of learning activity delivered, including compliance with the relevant funding rules for each programme.
  - the sub-contractor's business continuity / contingency plan remains relevant or has been updated appropriately.
- The sub-contractor's contract manager understands their own role and has clear visibility of the roles and responsibilities of staff on the sub- contractor side.
- The respective responsibilities of the contract manager and the sub- contractor are clear, and potentially defined in a 'joint statement of intent' or similar document.
- Continuity of key sub-contractor staff is desirable; where this cannot be achieved, there must be a handover from the staff responsible for the tendering process.
- Both regular structured and informal communication routes between the contract manager and sub-contractor are open and used; customer and sub-contractor staff are co-located where appropriate.
- Users are given clear expectations and an understanding of the contract and the services/ performance to be delivered.
- Safeguarding processes in line with up to date legislation and Central YMCA's expectations are followed by the sub-contractor to ensure learners are not at risk within the provision.
- Communications between the contract manager, sub-contractor, and other stakeholders are effective and stakeholders are involved in contract management processes where appropriate.
- Problem resolution processes are well defined and used and are designed to ensure

minor problems do not escalate and cause relationship issues; a 'blame culture' is avoided.

## 6. Managing Performance

In order to meet the ESFA's expectations around performance related processes and procedures, Central YMCA will ensure:

- Service management is well structured; baselines are understood by both parties, and sub-contractors understand the service they are required to deliver. The contract manager ensures that Central YMCA furnishes the sub-contractor with the information and contacts needed to deliver the service.
- A performance management framework is in place when the contract is signed. The framework is comprehensive, objective and provides incentives for the sub-contractor to meet or exceed agreed performance standards.
- Service levels agreements are in place, and are linked to business needs, understood by the sub-contractor, and monitored by the contract manager and/or end users.
- Sub-contractor performance is assessed using clear, objective, and meaningful metrics, linked where appropriate to ESFA's funding rules and/or guidance.
- Clear processes are in place to handle operational problem resolution and resolve issues as quickly as possible.
- Where appropriate, user compliance with the contract is monitored and managed to ensure maximum operational effectiveness and value for money.
- Regular and routine feedback is given to sub-contractors on their performance.
- There are clear contact points for service users both within the sub-contractor organisation and with the contract manager. Users understand what the contract is intended to deliver and are involved in the assessment of sub-contractor performance where relevant. Users understand escalation routes where issues arise.
- Changes in user requirements are captured and considered as part of formal change and contract management processes.
- There are formal performance reviews with subcontractors, with documented improvement plans agreed where necessary, covering both operational issues and adherence to key contractual requirements, for example, on data security.

## 7. Payments and Incentives

In order to meet the ESFA's expectations around processes and procedures to effectively monitor financial payments made to sub-contractors, Central YMCA will ensure:

- Payment mechanisms are documented and are clear and well understood by all parties (including incentives, penalties, and non-standard charges).
- Payment processes are well defined and efficient; appropriate checks and authorisation processes are in place for paying invoices.
- The costs of the services delivered, and contract management costs are mapped against budgets and allocated appropriately.
- Payment changes after the contract is let, for example from contract variations or benchmarking/ market testing, are made using contractual provisions and demonstrated to provide value for money.
- Payments are not made in advance of evidence to demonstrate learning activity has been undertaken.

## 8. Risk Management

In order to meet the ESFA's expectations around risk management processes and procedures to effectively manage the payments made to sub- contractors, Central YMCA will ensure:

- Contractual/sub-contractor risk management is in place with clear responsibilities and processes, identification of who is best placed to manage risk, and sub-contractor involvement where appropriate.
- Risks are formally identified and monitored regularly, with mitigating actions developed and implemented where possible, and 'obsolete' risks removed from consideration where appropriate.
- Escalation and reporting routes are in place for risk governance.
- Contingency plans are developed to handle sub-contractor failure (temporary or long-term failure/default); exit strategies are developed and updated through the life of the contract.
- Contractual terms around termination are understood and monitored by the contract manager.
- Contractual terms around warranties, indemnities and insurance are understood and monitored by the contract manager.
- Contractual terms around security and confidentiality are understood and monitored by the contract manager, particularly issues relating to the security/confidentiality of personal data.
- Dispute resolution processes are in place, including agreed adjudication procedures, mediation, and arbitration.
- The contract manager monitors the sub-contractor's financial health and business performance (including using credit rating agencies).
- The contract manager monitors the sub-contractor's compliance with contractual 'non-performance' issues e.g. on tax and sustainability targets.

## 9. Contract Development and/or Termination

In order to ensure changes to the contract or termination of the contract are handled appropriately and efficiently, Central YMCA will ensure:

- Analysis is undertaken of its sub-contracted activity each year, to inform the progress made in their plans for a reduction across the 3- year period.
- The subcontract will be regularly reviewed, with a view to updating where necessary, to ensure it meets evolving business and educational needs.
- Processes are in place that clearly lay out the governance of contractual change – who needs to approve what and how it will happen – with a focus on effective and prompt change implementation.
- There are clear processes for the management of minor changes and contract variations, with a focus on the cost/effort being proportionate to the importance and value of the change.
- There are more rigorous processes to handle major contractual changes, including clear approval mechanisms and accountabilities, and controls to demonstrate that changes offer value for money.
- Where appropriate, value for money testing is undertaken of existing services through benchmarking or other processes.
- There are processes to cover the introduction of new services under the contract, including market testing where necessary.
- There are dispute handling processes in place to address any change related issues.

- There are processes to account for various types of contractual changes to enable both parties to have a clear understanding of the arrangements for any extension of the contract, both in scope and time, and related issues.
- There are processes in place to handle commercial (financial) changes to the contract in a fair and structured manner.
- Price changes are managed fairly and effectively with the use of mechanisms such as benchmarking, competitive tendering, for example, for major additional works, or other techniques such as open book pricing as appropriate, to demonstrate value for money.
- Its rationalisation of specifications and demand management are considered as options to achieve better value for money.

## 10. Provider Development

In order to develop relationships with sub-contractors that leads to improved performance and capability, Central YMCA will ensure:

- Processes are in place that clearly set out how Central YMCA development activities will be planned, managed, and governed.
- Clear processes for benefits measurement and capture are in place to ensure that Central YMCA development is focused on continuous improvement and achieving value for Central YMCA.
- It understands what motivates and drives the sub-contractor and how Central YMCA development fits with Central YMCA's goals.
- Central YMCA has operational performance improvement activities.
- Joint working or shared activities are for the benefit of both Central YMCA and sub-contractor, e.g., process improvement, shared training, task forces or joint project teams.
- Its improvement activities relate to wider government initiatives, with input or assistance provided by Central YMCA e.g. on sustainability, disability employment issues, use of SMEs (Small and Medium Sized Enterprises) and BMEs (Black Minority Ethnic suppliers).
- There are shared risk reduction programmes or activities.
- There are shared management activities to drive performance improvement.

## Appendix 2 – Subcontracting Contingency Plan

### Context

Central YMCA is a lead provider with a direct contractual relationship with the Education Skills and Funding Agency (ESFA). Central YMCA recognises that subcontracting has an important role to play in delivering high-quality teaching and learning.

### Terminology

A lead provider is college, training organisation or employer that has a direct contractual relationship with the ESFA.

A subcontractor is an organisation that is engaged in a contractual and legally binding arrangement with one or more lead providers, to deliver education and training provision that the ESFA funds via a lead provider.

### Scope

This plan applies to all 'delivery subcontracting' activity undertaken by Central YMCA.

This plan applies to all provision where all or elements of the programme are delivered by an external organisation, but where overall responsibility is retained by Central YMCA. This plan aligns with the Charity's broader Continuation of Delivery Plan for Education and Training and the Charity's Critical Incident and Business Continuity Policy and associated Plan.

## Plan

Central YMCA will take steps to ensure that provision is made to preserve the continuity of the provision and that learners involved are able to complete their qualification and/or training to a high quality. Central YMCA's overall aim is to reduce the inconvenience to learners and maximise their achievement and learning outcome.

Following withdrawal from a contract the next step would be for senior managers to hold a planning meeting and determine the best way forward. The subcontractor may also be invited to the planned meeting. Learners are the responsibility of Central YMCA, and they would be the primary focus of any contingency plan.

Central YMCA will use the following plan:

- Inform the funding agency of withdrawal from the subcontracting arrangement.
- Undertake a review of learner progress and assessment.
- To ensure learners complete their learning and qualifications, identify the best delivery plan to ensure continuity of learning and minimise any disruption to learners. One of four possible routes will be identified as set out below:
  - Central YMCA would deliver the provision.
  - Central YMCA would identify an existing sub-contractor with the capability and capacity to deliver the provision.
  - Central YMCA would engage with a new sub-contractor (subject to completion of the due diligence process) to deliver the provision.
  - As a last resort, if Central YMCA is unable to meet the needs of the learners through either direct delivery, using an existing sub-contractor or engaging with a new sub-contractor, it will work with the relevant funding bodies to identify an alternative provider to transfer the learners to.
- Inform and communicate plans to learners and to employers.
- Notify relevant Awarding Organisation(s):
  - Make contact with existing awarding organisation(s) to see if learners can be transferred to Central YMCA.
  - Ascertain whether existing work can be transferred to an alternative AO and APL applied.
  - Pay for any registration and certification costs that cannot be transferred from the outgoing subcontractor's centre.
- Set clear time scales for identified actions to be implemented.
- Recover and remove all Department (ESFA) data held on systems and recover relevant documentation.
- Allocate key roles and responsibilities to Central YMCA staff for implementing, monitoring, and reviewing the plan.

## Communication

Central YMCA will ensure all 'Delivery Subcontractors' have sight of this contingency plan. This will be reviewed annually and updated as and if required. It will be published on Central YMCA website and will be discussed in meetings with 'Delivery Subcontractors'.



## Appendix 3 – Subcontracting Responsibilities

Central YMCA is responsible for the leadership and management of all subcontracted provision. All subcontracted provision must meet Central YMCA expectations in terms of quality and outcomes and be managed in line with all Central YMCA policies and procedures.

Central YMCA will ensure effective subcontractor management is undertaken, which requires an appropriate mix of data analysis, subcontractor meetings, monitoring visits and quality review to ensure that delivery meets the required standard and that any risk to the expected outcomes is mitigated to limit the impact to all involved.

All subcontractors should have a dedicated Contract Owner this will normally be the Head of Department, they should be supported where possible with appropriate training and guidance.

Responsibilities are outlined below:

### Central YMCA Education and Training Committee

- Approval of the Subcontracting Policy on an annual basis.
- Approval of the annual subcontracting plan.

### The Senior Responsible Officer (SRO)

- The Director or Education & Training acts as the Charity's SRO and leads on the development of Central YMCA's subcontracting strategy and business case, in conjunction with members of the Executive Team
- Leads on the subcontractor policy and contract management framework
- Oversees the ITT, PQQ and contract award process
- Oversees the delivery of the services to subcontractors for the fees charged
- Reviews concerns or significant changes to subcontractor delivery that are raised by a member of staff or learner
- Leads on contract value for money assessments with support from MIS and Finance.

### Contract Manager

- The relevant Head of Operation (Head of Education/ Head of Skills) acts as Contract Manager for any subcontracted provision, including the assessment of performance and the delivery of quality support services.
- Undertakes due diligence activities of any potential subcontractors as part of the ITT and subcontractor selection process
- Ensures completion of appropriate procurement activities including the completion of financial and non-financial due diligence reviews.
- Ensures signed contracts are in place prior to delivery and stored in line with Charity policies.
- Ensures Performance Management reviews are undertaken and documented throughout the year in line with pre-agreed Performance Management Framework. Example agenda items:
  - Contract performance (Starts, Leavers)
  - Learner performance (Learner progress, achievements, learner support requirements, attendance)
  - Non-performance issues (health and safety, equality and diversity, safeguarding, data protection, document retention, fraud and irregularity controls)
  - Any other issues or business



- Communicates any substantial changes within the subcontractor or nature of delivery in order to ensure senior management oversight and consideration.
- Escalates any concerns to the Executive Team and Education and Training Committee as appropriate
- Undertakes annual self-assessments against Subcontracting Standard and other guidelines as appropriate
- Ensure contract variations are undertaken appropriately in line with this Policy and funding guidelines

### **Quality Team**

- Ensures regular Subcontractor quality monitoring is undertaken and documented throughout the year.
- Annual review of the subcontractors Self-Assessment Report and related Quality Improvement Plans.
- Oversees quality of teaching and learning through OTLA process
- Provides training and support on CYMCA systems and processes.
- Reviews Vocational Expertise and supports Subcontractor staff development, providing opportunities to engage in Central YMCA's CPD programme.
- Monitors learner feedback in line with quality cycle

### **Designated Safeguarding Leads**

- Ensures regular Subcontractor safeguarding monitoring is undertaken and documented throughout the year (including oversight of DBS checks)
- Assesses the appropriateness of Safeguarding arrangements within subcontracted provision, including review of safeguarding related policies and safer recruitment procedures
- Ensures learners are aware of reporting and escalation routes as part of the learner journey
- Ensures timely reporting of safeguarding concerns and appropriate escalation.
- Invites subcontractors to regular safeguarding training.

### **Business Assurance and National MIS Team**

- Independent review of policies, procedures and frameworks to support subcontracting arrangements in line with the Charity's governance, risk and internal control frameworks.
- Submission of subcontracting declarations to the ESFA as required.
- Advice and guidance on ESFA funding rule compliance and changes.
- Internal audit of ESFA funding compliance (including compliance with Subcontracting Standard).
- Maintenance of records of subcontractor delivery on Central YMCA's learner record system in relation to evidence provided.
- Report subcontractor outturns to the ESFA and internally to inform contract management and subcontractor payments.
- Training and support on Central YMCA's systems and processes.
- Ongoing monitoring of adherence with Central YMCA's processes.

### **Finance Team**

- Agrees subcontractor payment schedule in line with the ESFA payment profile.
- Makes timely and accurate payments to subcontractors in accordance with ESFA funding rules.
- Reviews financial due diligence of subcontractors (and supports ongoing monitoring).

### **Subcontractors and their employees**

- Fulfil the requirements of the contract terms and provide timely reporting against the agreed contract Performance Framework
- Comply with Central YMCA's policies including Health and Safety, Safeguarding, Prevent, Equality, Diversity and Inclusion, Data Protection, Audit to support compliance with statutory obligations.
- Comply with Quality and funding compliance requirements aligned to relevant Ofsted and ESFA funding frameworks
- Ensure that any accident, incident or near-miss is reported in line with Central YMCA procedures.
- Inform Central YMCA of any changes of:
  - Ownership of the organisation
  - The management structure of the organisation
  - Loss of centre accreditation / direct claim status
  - Status in relation to winding up orders

## Appendix 4 – Subcontractor management process

