**Medway Adult Education Learning Service Subcontracting Supply-chain Fees and Charges Policy**

**1. Policy Statement**

Medway Adult Community Learning Service (MACLS) is committed to growing, diversifying and widening participation, by engaging in new and emerging markets and meeting the needs of the community and businesses in Medway. In order to achieve this, Medway Adult Community learning Services (MACLS) has taken the strategic decision to subcontract part of its provision to partner organisations who can demonstrate high quality delivery.

**2. Scope**

This policy applies to all supply chain activity supported by funds supplied by the Skills Funding Agency, the Education Funding Agency or any successor organisations.

This strategy covers two key areas of Subcontracting:

1. Provision subcontracting where there is the delivery of full programmes or frameworks by the Subcontractor
2. Service subcontracting where the delivery of a service as part of the delivery of a programme such as procuring the delivery of part of an Apprenticeship, framework or outreach support.

Within both of these cases, Medway Adult Community Learning Services (MACLS) retains full accountability for contract delivery.

**3. Overarching Principle**

In line with the Common Accord, Medway Adult Community Learning Service (MACLS) will commit to the overarching principle to optimise the impact and effectiveness of service delivery to the end user by:

* Aligning our processes with the LSIS Supply Chain Management document.
* Undertaking fair and transparent procurement activities, conducting robust due diligence procedures.
* Relating the management fee to the costs of the services provided.

**4. Subcontracting Rationale**

Upon commencement of the subcontracting process, Medway Adult Community Learning (MACLS) will consider a Business Case Proposal to ensure that the subcontracting will be in the best interests of all parties.

We will ensure that:

1. The proposed delivery is in the best interests of learners and employers
2. The proposed delivery meets our strategic mission, objectives and values
3. There is sufficient expertise within the Medway Adult Community Learning Services (MACLS) to quality assure the provision
4. There is sufficient staff resource in support areas to administer the processes
5. The Subcontractor is approved by our robust due-diligence process
6. There is sufficient funding available within our funding contract
7. The Subcontractor agrees to work within the terms of our contract

**5. Improving the Quality of Teaching and Learning**

Subcontracted partners will be expected to meet Medway Adult Community Learning Service (MACLS) quality assurance standards with Medway Adult Learning Service (MACLS) being committed to supporting, developing and sharing good practice and professional development of staff through quality reviews, operational meetings, observations of teaching and learning and learner and employer feedback.

The quality of the provision will be monitored and managed through our existing quality improvement process with MACLS Self-Assessment Report / Quality Improvement Plan process ensuring continuous improvement in all parts of the learner journey.

**6. Management Fees**

Medway Adult Learning Services (MACLS) retains a management fee from all subcontracted partner organisations, with this ranging from 15% to 18%. The fees charged reflect the cost of the procurement process and the management of the contracts.

The exact mix and level of support for our Subcontractors will vary depending on the needs of the individual Subcontractor. However, they will receive a high level of support and guidance and access to Medway Adult Learning Service (MACLS) systems, including:

* Quality management systems
* Certification and registration with awarding bodies if required
* Management Information Services and data control advice
* Audit of management systems and delivery and observation of teaching, learning and assessment
* Subcontracting Supply-chain Fees and Charging Policy – April 14 Version 1
* Safeguarding of Young People and Vulnerable Adults procedures
* Health and Safety compliance
* Teaching, Learning and Assessment observations and coaching
* CPD Opportunities and planned training and development
* Policy development
* Support with Funding Rules compliance
* Regular national updates regarding funding and policy guidance
* Bi monthly Network Meetings
* Equality and diversity support
* Administration of the AGE Grant process

Not all Subcontractors are charged the same management fee with the differences in fees being dependent upon the level of support required, the experience of the Subcontractor, their target learners; their track record, published success rates and the level of risk as determined by the due diligence process.

**7. Payment Arrangements**

* Payments are made on a monthly basis by the end of the following month in which the activity is successfully processed and uploaded to the Data Service by Medway Adult Community Service (MACLS)
* Following validation of the evidence in the ILR return, Medway Adult Community Learning Service (MACLS) will authorise/make the appropriate payment to the Subcontractor based on the level of income calculated by the validation process in that month less the agreed management fee
* Invoices must be addressed to Medway Council at the Rochester hub. Payments are made by BACS.
* MACLS expects that the Subcontractors will fully engage in the assessment of accuracy of payments and they therefore have the responsibility to review their monthly remittance advices to identify any inaccuracies.

**8. Policy Communication**

The Policy is available on-line<http://www.medway.gov.uk/educationandlearning/adultlearning.aspx> and can be made available in alternative format or language upon request?

The Policy will be discussed with all current and future Subcontractors during contract negotiation meetings and reviewed at least annually in September of each year. Any changes will be notified to subcontractors as part of their regular performance review or via separate correspondence.