

Sub-contracting and Supply Chain Fees and Charges Policy

2019-2020

This policy provides explanation and clarity for the Institution of Railway Operators (IRO) and its provision sub-contractors. These are agreed with the sub-contractor in the negotiation stage of the contract and are subject to due-diligence and a risk assessment. They are also dependent on agreed success rates and volume measures.

1. Scope:

This subcontracting and Supply Chain Fees and Charges Policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity. The content of this policy has been developed in line with the Education and Skills Funding Agency Rules (ESFA)- This policy relates to activity funded through the ESFA whereby IRO enters into a subcontracting agreement with a supplier for delivery. This policy provides transparency for all subcontractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to subcontracted provision under IRO's direct contract with the ESFA.

IRO endeavours to minimise the risk within the supply chain by ensuring that the subcontractors working with IRO offer high quality provision that is responsive to learners and employers.

2. Rationale for Subcontracting:

IRO:

- Uses Subcontractors to fulfil the requirement of Functional Skills in maths and English, as required, for apprentices before the apprenticeship Gateway.
- Recognises the benefits that effective subcontracting can bring to extending the accessibility of provision for learners.
- Uses subcontractors to widen participation amongst student groups that would be otherwise "hard to reach" and other individuals that face barriers to participation in learning and work.
- Uses subcontractors as appropriate to fill gaps in, and to extend the breadth of its provision.

3. Selection, Procurement and Due Diligence

Potential subcontractors may approach IRO with a proposal or IRO may approach a supplier with a proposal for delivery of tuition. In all cases a need to contract will have been identified based on demand from learners and employers.

IRO will at all times undertake fair and transparent procurement activities.

IRO will inform the Chief Executive of the ESFA in writing, about any circumstances which might lead to an actual or perceived conflict of interest.

Pre-contract due diligence checks are carried out on the potential subcontractor which will cover financial health, previous delivery performance, capacity and capability to deliver, Awarding Body status, Ofsted report, internal quality assurance processes in relation to teaching and learning and self-assessment (See Annex one).

Registration by the potential subcontractor with the Register of Training Organisations (ROTO) or the Register of Apprentice Training Providers (RoATP) is required should the subcontractor's contract value be in excess of £100,000 per funding year. This also applies if the subcontract from IRO would take the total value of contracts that the subcontractor holds to £100,000 or more. IRO will monitor as part of its due diligence and ongoing quality assurance and performance management the value on totality of any subcontractor contract arrangements.

A contract will be drawn up and agreed between both parties and is time bound. This will include: the subcontractor profile, subcontractor's duty, IRO's duty, IRO's offer, the management and service charges based on due diligence

results and contract volume and value. Additional schedules of contract monitoring arrangements, fees, charges, key performance indicators and payment arrangements will also be included.

We aim to continually improve our quality of teaching, learning and assessment by ensuring that all subcontractors undergo a comprehensive due diligence process. Subcontractors are risk banded and managed via regular performance reviews as well as financial audits.

4. Support Provided to Subcontractors:

IRO will support subcontractors to ensure successful delivery drawing on the internal structures and expertise and a regular schedule of Contract Review Meetings as with accordance with IRO's Subcontracting Monitoring Processing. Specifically, this includes:

- IRO to manage the relationship with the subcontractor and take overall responsibility for subcontracting.
- IRO to ensure that the quality of subcontractor's delivery meets its expectations and to support the continuous improvement of the subcontractor's provision.
- IRO to ensure the timely and accurate recording of learner information on the IRO's ILR.
- Undertake a regular and substantial programme of quality assurance checks on the education and training provided by the subcontractors, including visits at short 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.
- Ensures that all of the subcontractor's delivery meets the ESFA Funding Rules.

5. IRO Commitment to Quality Improvements:

IRO:

- Actively works with subcontractors to improve the quality of the teaching, learning and assessment they deliver.
- Undertakes observations and reviews on all aspect of learning and assessment including information, advice and guidance, progress reviews and assessment.
- Provides timely and meaningful feedback to both subcontractor and delivery staff and observations are incorporated into IRO's moderation and standardisation process, in order that improvement actions impact both internal subcontractor quality.
- Carries out learner voice surveys to gather feedback from students.
- Supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.
- Supports subcontractors to develop and effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) and will incorporate subcontractors' SAR and QIPs into the whole IRO SAR.

6. Supply Chain Fees

IRO may retain a Management Fee and/or a Service Charge. This fee will be calculated against the assessment of risk and the due diligence process, and the level of management intervention associated with the subcontractor.

The Management Fee and/or Service Charge is calculated based on the level of resources required: to manage effectively the individual subcontractor relationship; to ensure funding and requirements are met and to ensure that the high quality of delivery to students is maintained and that any risk to IRO and the ESFA is mitigated.

7. Payment Terms:

Payment terms will be discussed and agreed between IRO and the subcontractor. A payment schedule will form part of each contract.

IRO will raise an agreed Payment Schedule to the subcontractor. The subcontractor will raise invoices according to the agreed payment schedule, to be sent directly to IRO, where they will be checked against the contract's KPIs and approved for payment by IRO. Approval for payment will be made only if the invoice is within terms of the payment schedule and the contract KPIs have been met.

8. Communication:

The Subcontracting Supply Chain Fees and Charges Policy will be routinely communicated to and discussed with current subcontractors as part of the contract review process. The Subcontracting Supply Chain Fees and Charges Policy will be communicated to potential subcontractors as part of the procurement process.

9. Contingency Plans

A contingency plan safeguards learners in the event that a partner withdraws from the arrangement or goes into liquidation or administration. Please see Annex Two.


10. Policy Review:

The Subcontracting Supply Chain Fees and Charges Policy will be reviewed annually and once approved will be publicised and implemented.

Section A – General

Contact Name:

Job Title:

Telephone Numbers:
Landline 
Mobile  Switchboard 

Email Address:

Organisation Website Address:

Organisation Name:
(as it appears on Companies House)

Trading Name (if applicable)

Registered Address:

Correspondence Address:
(If different from the above)

Companies Registration Number(s)

Year Established: **Company Size by number of employees**

Legal Status:

VAT Registration Number:

Is the Company a member of a group of companies or a subsidiary of another company as defined by section 736(1) of the Companies Act 1985?

If YES, please provide details of holding Parent Company together with a list of wholly owned subsidiary companies:

Please provide your UKPRN Registration Number:

Is your organisation RoATP approved?

YES / NO

If YES please state by which route – ie 'Main', 'Support' or 'Employer'?

Is your organisation registered on the ROEPAO –Register of End Point Assessment Organisations.

YES / NO	Reg. No
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If you are applying for any other funding streams eg. Non-apprenticeship ESF or Adult Education Budget please detail if your organisation is ROTO approved, if yes for which provision.

Section B – Provision

Please give a brief description of the programmes you are proposing to offer eg target group(s), geographical coverage, subjects, sectors, accredited units/full qualifications, number of courses/course duration, links to employment opportunities etc. (no more than 1 page of A4 please).

If you are a potential subcontractor who is new to IRO please provide details of your Qualification Achievement Rates for the last 3 years for the areas which you propose to deliver and have listed above. However, if you are an existing subcontractor please only complete this section if you propose to deliver additional programmes. Please use the format below and if required attach a separate sheet to this application.

Qualification Title	Level	2015/16	2016/17	2017/2018

Do you have the facilities to deliver any proposed 'classroom based' provision?

Are Schemes of Work in place for any proposed programmes e.g. Classroom/Apprenticeship?

Does your organisation have sufficient capacity, capability and quality assurance processes in place to deliver the proposed provision?

Is your organisation in receipt of funding from any other source relating to the proposed provision?

Section C - Quality

Please list any quality standards and their expiry dates held by your organisation eg IIP, Matrix, ISO9000, TQS – QAA

Please confirm if your organisation is working towards any of the quality standards above if so which ones and at what stage are you at in the process of achieving accreditation.

Has your organisation been subject to an OFSTED inspection? If so please give the date and grade of your last inspection.

Do you hold Approved Centre Status with any nationally recognised awarding bodies? If so please give details.

Please detail how you conduct internal audit activity?

Section D – Data Compliance

Please confirm your organisation complies with Data Protection and GDPR legislation and has appropriate data protection and security systems in place including the encryption of all devices where learner information is stored and for the exchange of personal data with partners.

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Please provide your ICO - Data Protection Registration Number:

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Please confirm your organisation has in place demonstrable procedures and policies to enable confirmation of learner existence and eligibility. (including physical confirmation)

YES / NO

Section E – Teaching and Learning

Please confirm that your organisation has appropriately experienced qualified and trained staff together with resources to deliver the proposed services effectively from the start.

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Please confirm that all proposed delivery staff have a current DBS certificate in line with legislation

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Does the organisation have a programme of Continuous Professional Development and do all delivery staff have up to date CPD records in place?

YES / NO

Please detail your key process for delivery of training

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Does the organisation have Individual Learning plans and Monthly Action Plans in place? Please provide details.

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Section F – Financial Information and Legal Status

Please detail all contracts that you currently hold or have held in the past 3 years with either the Skills Funding Agency or the Education and Skills Funding Agency.

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Please provide details of all contracts that you currently hold as a Subcontractor during this academic year (please continue on separate sheet if required)

Company Name	Value £

Please confirm that any further contracts, including this proposed delivery will not exceed the RoAPT sub contracting allocation allowance where applicable (This is an aggregation of all contracts you will hold with providers or employer providers for apprenticeship delivery.)

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Please provide details of any contracts terminated and of any deductions due to non-performance or liquidated damages

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payment of any contract within the last 3 years.

Are there any current or outstanding court judgements against your organisation?

Declaration of Interest - Please declare any interest that might be reasonably thought likely to affect the Supplier's independence and objectivity in carrying out the Services.

Section G – Safeguarding

Please tell us about your Safer Recruitment Practices

Please tell us about your Equality, Diversity & Inclusion procedures

Who is your nominated individual responsible for safeguarding staff and learners?

How do staff and learners understand safeguarding issues including acceptable behaviour to promote British Values?

Section H – Contract Performance Management and Monitoring

Please describe your contract performance management system and how and when you check the effectiveness of your performance?

What process can be put in place to collect and upload data to the IRO?

Describe the processes in place that allow learners to raise concerns regarding any aspect of delivery, including appeals procedure.



How do you monitor the effectiveness of the courses including the Learner Survey Process?

Section I – Additional Information



Please provide supporting evidence to substantiate your application eg. Experience delivering programmes in the workplace/other projects/values/engagement/delivery/tracking/links with JCP/employers/partners
(Please attach separate sheets if more space is required -no more than 2 pages of A4 please)

Section J – References

TO BE COMPLETED BY NEW SUBCONTRACTORS ONLY - Please provide the names and contact details for 2 independent referees that can support the claims made in this tender. The referees should ideally be a client/employer that you have delivered training for and/or a Prime Contractor/College you have a partnership agreement with.

Reference 1		Reference 2	
Organisation Name		Organisation Name	
Contact Name		Contact Name	
Position		Position	
Email Address		Email Address	
			
Address		Address	

TO BE COMPLETED BY NEW SUBCONTRACTORS ONLY Please provide the names and contact details of 2 independent referees that will provide a Trade/Financial reference to support your tender. Ideally this should be a supplier who you currently trade with and have been doing so regularly for a minimum of 12 months.

Reference 1		Reference 2	
Organisation Name		Organisation Name	
Contact Name		Contact Name	
Position		Position	
Email Address		Email Address	
			
Address		Address	

Section K - Declaration

I/we hereby certify that I/we have not canvassed any member, Director, employee, representative or adviser of the Institution of Railway Operators in connection with the Subcontractor Due Diligence Questionnaire and that no person employed by me/us or acting on my/our behalf, or advising me/us has done any such act.

I/we further hereby undertake that I/we will not canvass any member, Director, employee, representative or adviser of the Institution of Railway Operators in connection with the Subcontractor Due Diligence Questionnaire and that no person employed by me/us or acting on my/our behalf, or advising me/us has done any such act.

I/We also understand that it is a criminal offence, to give or offer any gift or consideration whatsoever as an inducement or reward to any servant of a public body and that any such action will result in my/our exclusion from this tendering exercise.

I/We certify that we have robust procedures in place to ensure that we do not inadvertently fund extremist organisations.

I/We certify that the information supplied within this questionnaire is accurate to the best of my/our knowledge and that I/We accept the conditions and undertakings requested in this questionnaire. I/We understand that false information could result in my/our exclusion from this and future exercises and result in civil or criminal proceedings.

I certify that I am authorised by my organisation to sign these declarations on their behalf.

Signed	<input type="text"/>
Print Name	<input type="text"/>
Position	<input type="text"/>
Organisation	<input type="text"/>
Date	<input type="text"/>

Office Use Only

Expiry Public Liability	<input type="text"/>	Expiry Employers Liability	<input type="text"/>	Expiry Professional Liability	<input type="text"/>
Ref received Provision	<input type="text"/>	<input type="text"/>	Ref received Trade	<input type="text"/>	<input type="text"/>

Signed by IRO Team hereby authorising the commencement of the contracting process.

<input type="text"/>	Date	<input type="text"/>
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Please submit electronic copies of the following documents with your completed questionnaire.

		Copy Provided
1	Organisational Structure	
2	Most recent Audited Financial Accounts	
3	Valid Public Liability Insurance (Minimum £5m cover)	
4	Valid Employer Liability Insurance (Minimum £5m cover)	
5	Professional Indemnity Insurance	
6	Health & Safety Policy	
7	Safeguarding Policy	
8	Prevent Policy	
9	Sustainability/Environmental Policy	
10	Equality & Diversity Policy	
11	Data Protection Policy	
12	Quality Assurance Policy	
13	Complaints Procedure	
14	Most recent EQA Reports for all programmes	
14	Inspection Report (most recent) if appropriate	
16	Latest Self-Assessment Report	
17	Latest Quality Improvement Plan	
18	Proof of Centre Approval/Direct Claim Status (Most recent certificate/letter of approval per proposed qualification)	
19	E-Safety policy/handbook	

Please note - Should any of the information that you have provided or submitted change or is updated you MUST inform the Institution of Railway Operators and resubmit the relevant document(s).

To see the IRO's Privacy notice please go to : www.railwayoperators.co.uk/privacy-notice

Annex Two

Subcontracting – Contingency Plan

To ensure that:	In the event that IRO needs to withdraw from subcontract arrangements, a subcontractor withdraws from the contract, serves a break clause or goes into liquidation or administration, IRO 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 qualifications.
Applied to:	Provision where all of the programme is delivered by an external organisation but where all overall responsibility is retained by IRO.

Stage		Action	Responsibility
1.	The relevant funding agency would be notified	IRO will notify the relevant funding agency of any withdrawal from subcontracting arrangement by either the subcontractor or IRO.	IRO Apprenticeship Manager
2.	Review of the current learners	A full review of the learners' enrolment and an assessment of the level of progress to date on each qualification.	IRO Apprenticeship Manager
3.	Establishment of next steps	Following a review of the learners a decision will be made to identify the best delivery plan to ensure continuity of learners and minimise disruption to learners. One of the four possible routes will be identified (points 4-7)	IRO Apprenticeship Manager, and CEO.
4.	Delivery of the Provision through IRO	IRO will deliver the provisions directly.	IRO Apprenticeship Manager, and CEO.
5.	Deliver of the provision through an existing subcontractor	IRO will identify an existing subcontractor who has a record of delivery of the relevant provision with successful outcomes. How has capacity and is able to accept an increase in their contract to take on additional learners.	IRO Apprenticeship Manager, and CEO.
6.	Delivery of the provision through a new subcontracting arrangement	IRO may engage with a new subcontractor (subject to formal due diligence process) for the provision that IRO or any existing subcontractor does not have the skills or capacity to deliver.	IRO Apprenticeship Manager, and CEO.
7.	Transfer the learners to another provider	If IRO is unable to meet the needs of the learners, through points 5-6, IRO will work with the ESFA to identify an alternative provider to transfer learners to.	IRO Apprenticeship Manager, and CEO.

Actual Payments to Subcontractors

2018-2019	Nil
Name of Subcontractor	
UKPRN	
Contract Start Date	
Contract End Date	
Type of Provision	
Funding paid by ESFA	
Funding paid to subcontractor	
Funding Retained	
Payment by Subcontractor to IRO for services	