



IPS International Ltd

Policy for the subcontracting of ESFA funded training provision

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IPS International Limited (IPS) is a responsible prime contractor with the Education & Skills Funding Agency and takes the legal and acceptable use of subcontracted Education & Skills Funding Agency (ESFA) funds seriously. The ESFA sets out its requirements in its prime contract with IPS and within the current issue of the ESFA Funding Rules and other guidance issued from time to time. The purpose of this policy is to help IPS and its subcontracting companies comply with these obligations and ensure the correct and proper use of ESFA funds in accordance with good practice and the proper business of the company. IPS is a training organisation and uses subcontractors to extend its own Apprenticeship and traineeship delivery offer.

IPS accepts the clauses and principles set out in the Association of Employment and Learning Providers (AELP) document Common Accord in the Working of Supply Chains in the Post-16 Learning and Skills Sector and they form part of this policy.

This policy covers,

- Criteria for subcontracting
- Fundamental requirements for IPS
- Fundamental requirements for IPS subcontractors
- Financial criteria
- Payment terms
- Communication, review timing and publication.

CRITERIA FOR SUBCONTRACTING

The subcontractor must,

- Be a fit and proper business registered at Companies House
- Be entered on the UK Register of Learning Providers
- Be registered for data protection with the Information Commissioner
- If necessary, be registered on the Register of Training Organisations
- Meet the IPS criteria for delivering training that adds to and does not compete with the current offer by IPS
- Have success rates at or above the national average
- Have a training provision offer that is a clear benefit and value to young people and Apprentices
- Have proper and correct financial controls and procedures



- Have the ability to administer and supply management information on the training and individual learners
- Have suitable insurance in place
- Have appropriate policies and procedures in place
- Have appropriate training records and undertake training if required
- Have proper accreditation from the Awarding Organisation
- Have appropriately qualified staff
- Have the ability to maintain proper and correct administration of learner training records.

FUNDAMENTAL REQUIREMENTS FOR IPS

Where an employer requests training delivery through subcontracted provision IPS will ensure that the subcontractor meets the criteria for subcontracting.

IPS will plan direct and off-the-job training delivering and/or assessment including regular progress reviews with each apprentice.

IPS subcontracts with selected private training providers who deliver training that adds real value to our offer to young people and Apprentices.

Subcontractors chosen by IPS must complete a "due diligence" selection process demonstrating that they are a fit and proper business that meet the criteria above and have the correct policies and procedures for an organisation with access to public funds. The training and qualifications delivered must offer a clear benefit and value to young people and Apprentices as well as being value for money use of public funds.

Subcontractors are recruited by recommendation or through membership of the Kent Association of Training Organisations (KATO) or similar organisation. IPS does not subcontract with sole traders or organisations that are not registered with Companies House. All our subcontractors are required to be familiar with and comply fully with the current version Education & Skills Funding Agency Funding Rules

IPS will ensure that all learners and Apprentices receiving training from IPS and its subcontractors will,

- Receive high quality training that meets or exceeds their expectations
- Benefit from high quality administration processes and procedures
- Are provided with all opportunities to succeed in a timely and effective manner within the duration of the learning programme
- Are safe and protected from harm as regards safeguarding and Prevent.

IPS will ensure the quality of subcontractor provision through the Observation of Teaching, Learning and Assessment (OTLA) process. OTLA is the regular observation



of delivery staff, identifying areas of best practice and improvements to create staff development action plans. Plans and areas for improvements are regularly monitored to ensure continuous quality improvement.

manage the subcontractor using appropriate processes ensuring that the quality of learning provision to the learner is maintained and the requirements associated with funding are met.

If IPS judges that the subcontractor is no longer able to deliver the subcontracted elements of the training provision properly and correctly IPS will make every effort to have the training delivered by another suitable training organisation such that the learner is not disadvantaged and learning progress is maintained through to achievement. IPS will establish with each subcontractor an appropriate monitoring and performance procedure.

FUNDAMENTAL REQUIREMENTS FOR IPS SUBCONTRACTORS

Subcontract training providers are required to successfully pass a due diligence assessment process and to complete the ESFA due diligence gateway process and be entered on the ESFA Register of Training Organisations and the ESFA Register of Apprenticeship Training Providers. The subcontractor will maintain and refresh its entry on both registers for the duration of its subcontract. The subcontractor will also maintain an entry on the UK Register of Learning Providers (UKRLP).

All IPS subcontractors will over the duration of the subcontract meet all the requirements of the ESFA Funding Rules and other guidance issued from time to time. All IPS subcontractors will comply with all reasonable requests from IPS that enable compliance with ESFA funding Rules and guidance.

All IPS subcontractors must ensure they maintain,

- A fit and proper business with suitable financial controls
- Accurate and up to date management information
- The correct policies and procedures for an organisation with access to public funds
- Effective Equality and Diversity, Safeguarding and Prevent policies.

The training and qualifications delivered must offer a clear benefit and value to young people and Apprentices as well as value for money use of public funds. No subcontractor is given access to ESFA funding until the due diligence process has been completed and an agreed subcontract contract has been signed by authorised signatories from IPS and the subcontractor.

All subcontractors must ensure they are working to the IPS quality standards for delivery and to ensure this happens IPS will carry out,



- OTLA observations
- Monitoring visits
- Compliance audits

FINANCIAL CRITERIA

The subcontract will set out the maximum amount of funding that is available to the subcontractor. IPS will agree with the subcontractor the monthly profile amount and further state the performance management points at period 1 to 8 and periods 9 to 12 budgets that are expected to be achieved. IPS will manage the subcontractor period allocation within the context of the whole IPS prime contract and if necessary vary the profile to meet the requirements of the ESFA Funding Rules and the published ESFA Performance Management rules that currently apply.

Where a subcontractor does not achieve the quarterly or period 1 to 8 or period 9 to 12 profiles, IPS may adjust the remaining profiles within the subcontractor whole contract.

IPS will agree a fee structure with each subcontractor that recognises the full extent of the subcontracted provision. This will recognise the proportion of work carried out by IPS and that of the subcontractor. Subcontractor fees will be calculated on activities divided into 3 main categories, management of the subcontractor; quality monitoring and other support activities. Each activity will either be a fixed cost or a variable cost.

For new subcontractors there will be an arrangement fee to be paid at the commencement of the contract. The fixed costs will form the basis of an annual fee which will need to be paid on a quarterly basis. Variable costs will be determined by the volume of apprentices/learners against the subcontract profile. Variable fees will be set at 16.5% and calculated monthly based on ILR data returns.

Where IPS delivers training or another service not part of the subcontracted arrangement, then that service will be charged separately at a rate agreed with the subcontractor.

The Fixed Costs include,

- Contract Due Diligence checks
- Monthly funding calculations, allocations and payments
- Guidance on compliance with ESFA Funding rules and updates
- Guidance on National Apprenticeship Service requirements
- Guidance on ACE requirements
- Guidance on Apprentice Framework/Standards.
- Training events, workshops, CPD
- Self-assessment and QIP reviews
- Monitoring visits based on subcontractor risk rating



- Monitoring of MIS data for contract performance, learner progress, success rates and timely achievement reports

The proportion of funds retained by IPS for variable costs includes,

- Subcontractor MIS reports, invoicing, payments and EPAO payments
- Subcontractor employer contracts, contributions and incentive payments
- Processing of learner information and data returns
- Subcontractor trainer observations and monitoring activities
- ESFA compliance audit checks
- Employer and apprentice progress reviews
- EPA progress tracking
- Health and Safety checks and monitoring

The fee retained by IPS will recognise where subcontractor may be a satellite centre to IPS's registered Awarding Organisations or where the subcontractor may hold their own centre accreditations

The fee proportion will vary according to the extent of the contracted training delivery agreed with each employer. IPS will issue an Apprenticeship Training Contract for services with each employer agreeing the extent and proportion of subcontracted training delivery.

IPS will issue a subcontract to the subcontractor for each funding year and an individual contract for service for each employer apprentice.

PAYMENT TERMS

IPS will invoice subcontractors at the start of the contract year, (or at the start of the contract for new subcontractors), for the fixed costs to be paid quarterly.

The subcontractor submits an invoice to IPS for training delivery within the invoiced month excluding suspended and out of funded learners.

All subcontractors are paid monthly in arrears and paid through the BACS system.

COMMUNICATION, REVIEW TIMING AND PUBLICATION

This policy is shared with current subcontractors annually prior to issuing formal contracts and discussed with potential subcontractors prior to engagement. This policy is reviewed following publication of updated ESFA Funding Rules, approved by the IPS Board and published on the IPS International website www.IPS-International.com.