**Sub-Contracting Policy**

**Rational for Sub-contracting**

eTraining Ltd engages with sub-contractors to better meet learner, community, employer and other local stakeholder needs. Reasons are varied and include:

* Providing access to, or engagement with, a new range of customers. To temporarily expand provision to meet a short term need.
* To provide immediate provision whilst expanding direct capacity. This might include working with sub-contractors to explore and learn about new frameworks or sectors prior to investment in resources.
* To support another provider to develop capacity/quality.
* To provide niche delivery where the cost of developing direct delivery would be inappropriate.
* To support employers with a wide geographic requirement

**Quality Assurance**

eTraining Ltd is committed to improving the quality of teaching, learning and assessment.

The quality of provision is monitored and managed as part of eTraining Ltd’s Quality Assurance cycle. This extends to its supply chain partners by ensuring that all sub-contractors delivering provision on their behalf are:

* Procured through a fair and transparent process including robust due diligence procedures and providing demonstrable evidence that they deliver the agreed quality of teaching and learning.
* Managed through a process of regular monitoring and review.
* Fulfilling the contractual requirements of the SFA (Skills Funding Agency) and other funding bodies.

**Support**

To support their sub-contractors, eTraining Ltd will provide as a minimum:

* A designated contact.
* Monthly performance updates.
* Quarterly performance reviews.
* Performance assessment using Ofsted’s Common Inspection Framework as a guide.

**Management Fees**

The typical percentage range of fees retained to manage sub-contractors is typically between 12.5% and 20%. This management fee is deducted from the SFA funding income received by eTraining and determined by the PFR (Provider Financial Report).

The amount charged will be negotiated with the individual party and will depend on a number of factors including but not limited to:

* Evidence of an established relationship between eTraining Ltd and the sub-contractor
* Market experience of the sub-contractor
* Level of support requested or deemed necessary from eTraining Ltd
* Performance against target measures as agreed with the sub-contractor

The funding that is retained by eTraining Ltd will be related to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties. The rates of such retained funding will be commercially viable for both sides will be proportionate to the actual services being provided.

**Payment Terms**

Payments are made on a monthly basis following the publication of payment earned by the Data Service for the previous month’s delivery. Payments are made based on the SFA value less the agreed management fee as published in the sub-contractor’s contract with eTraining Ltd. Sub-contractors will be sent a financial summary in the first week of any given month and payment will be made by BACS by the month end.

eTraining Ltd expects sub-contractors to fully engage in the accuracy of payments and they therefore have a responsibility to review their monthly financial reconciliations and identify any inaccuracies.

**Policy Publication and Review**

This policy is published on eTraining Ltd’s website [www.etraining-uk.com](http://www.etraining-uk.com) and potential sub-contractors should be directed to it as the starting point in any relationship.

The policy will be reviewed as and when additional guidance is issued by the SFA and annually as part of eTraining’s Quality Assurance cycle.

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