



# Sub-Contractor Policy 2019/20

---

## Contents

Contents.....	1
1. Introduction.....	2
2. The Common Accord.....	2
3. Communicating Partnership Opportunities.....	2
4. Expressions of Interest.....	3
5. Due Diligence.....	3
6. Financial Risk Assessment.....	3
7. Selection.....	3
8. Conflict of Interest.....	4
9. Limitations on Contracting.....	4
10. ESFA Annual Subcontracting Assurance Requirement.....	4
APPENDIX A The Common Accord.....	5
APPENDIX B Due Diligence Checklist.....	6



# Sub-Contractor Policy 2019/20

---

## 1. Introduction

To enable Eat That Frog Group to meet its purpose and intended outcomes it operates as a Lead Provider where some provision is delivered via sub-contracted organisations. A subcontractor is a legal entity (recorded as 'active' on the Companies House database) that has an agreement with Eat That Frog Group to deliver education and training funded by us.

Eat That Frog Group will not award a subcontract to any organisation if:

- It does not successfully meet our Due Diligence requirements
- It does not pass our financial health check process
- 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
- It proposes to carryout delivery outside of Eat That Frog Group's specified geographic area

Eat That Frog Group do not enter into any second level subcontracting.

## 2. The Common Accord

Eat That Frog Group will procure partners in line with the Common Accord which states the following overarching principle:

*"Supply chains seek to optimise the impact and effectiveness of service delivery to the end user."*

The Common Accord requires Lead Providers to:

*"Agree to the importance of ensuring that procurement activities are conducted in a fair and transparent manner to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives."*

See Appendix A

## 3. Communicating Partnership Opportunities

Eat That Frog Group will publicise funding opportunities to existing partners and potential new partners using a range of methods. Interested organisations will be provided with a copy of our current Curriculum Strategy which shows our purpose and priorities; they will also be made aware of our Partner Fee Policy which is published on Eat That Frog Group website.



## Sub-Contractor Policy 2019/20

---

### 4. Expressions of Interest

Potential partners will be invited to present an Expression of Interest to demonstrate their capacity and capability to support Eat That Frog Group's purpose, mission and values and to meet the priorities specified in Eat That Frog Group's Curriculum Strategy and any specific project requirements e.g. geographic delivery locations.

### 5. Due Diligence

All potential partners undergo a comprehensive Due Diligence process prior to any contracting or delivery; this will cover the items detailed in Appendix B.

In line with ESFA Funding Requirements Eat That Frog Group will not appoint any subcontractors with a contract value of £100,000 or greater for each funding year unless they are listed on the Register of Training Organisations prior to issuing a contract.

This also applies if the subcontract from Eat That Frog Group would take the total value of subcontracts that the subcontractor holds to deliver education and training funded by the ESFA to £100,000 or more.

This information will be obtained as part of the Due Diligence process and by referring to the latest published List of Declared Subcontractors and the Register. These lists will also be monitored after each publication.

If a subcontractor exceeds the £100,000 threshold and is not listed on the Register, we will immediately end our subcontract with that organisation. This applies regardless of whether Eat That Frog Group's contract took the subcontractor over the threshold.

### 6. Financial Risk Assessment

A financial health check will be carried out by the Eat That Frog Group Data and Compliance Manager on all potential partners. Eat That Frog Group will not contract with any organisation who fails to pass the financial health check.

### 7. Selection

To ensure subcontracted provision supports Eat that Frog Group's overall aims and intended outcomes selection will be based on:

- The outcome of the Due Diligence process
- The provider's track record
- The type of provision planned



## Sub-Contractor Policy 2019/20

---

- The delivery location
- The Learning Curve criteria specified for the relevant funding model
- Contractual requirements

### **8. Conflict of Interest**

In line with ESFA Funding Rules we will inform the Chief Executive of the ESFA in writing of any contract that could give rise to actual or perceived conflict of interests (e.g. common directorships); a contract would not be awarded unless written permission is received from the ESFA.

### **9. Limitations on Contracting**

We will comply with any limitations on subcontracting arrangements as detailed in ESFA Funding Requirements or publications; these include:

- If Ofsted has rated our leadership and management as inadequate.
- If we do not meet ESFA Minimum Standards.
- If the outcome of the ESFA annual financial health assessment is inadequate.

### **10. ESFA Annual Subcontracting Assurance Requirement.**

The ESFA requires lead providers that subcontract more than a defined level of provision to obtain a report from an external auditor to provide assurance on the arrangements in place to manage and control their subcontractors.

### APPENDIX A The Common Accord

#### Clauses and principles of the Common Accord

- i. The scope of the Common Accord is supply chain activity using funds supplied by the Skills Funding Agency or any successor organisations.
- ii. Signatories to the Common Accord commit to the “Overarching Principle” that: **“Supply chains seek to optimise the impact and effectiveness of service delivery to the end user.”**
- iii. In line with the overarching principle, signatories will abide by the following:
  - a. **Supply chain management activities should align with the principles of best practice in the skills sector.** *Signatories to the Common Accord agree to be guided by the principles given in the LSIS publication “Supply Chain Management – a good practice guide for the post-16 skills sector” (Nov 2012 and subsequent iterations)*
  - b. **Prime/lead providers in supply chains will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels.** *Signatories agree the importance of ensuring that procurement activities are conducted in a fair and transparent manner to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.*
  - c. **Funding for learning that is retained by the lead provider must 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.** *Signatories commit that the rates of such retained funding should be commercially viable for both sides, should be negotiated and agreed in a fair and transparent manner, and should relate to the actual services being provided.*
  - d. **Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, signatories commit to submission of the dispute to independent outside arbitration or mediation and to abide by its findings.** *Signatories agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.*
- iv. Signatories to the Common Accord understand and accept that their commitment and adherence to it may be used as criteria or standards by other sector stakeholders, including (but not limited to) funding, representative and professional bodies.

### APPENDIX B Due Diligence Checklist

	Item	Mandatory?
1	Company Status	Yes
2	Company registration number	Yes
3	Charity registration number	As appropriate
4	Register of Learning Providers	Yes
5	Confirmation of total contract values	Yes
6	Educations Skills Funding Agency Register of Training Organisations	Yes (if total contracts exceed £100,000)
7	List of Directors	Yes
8	Annual Reports / Accounts	Yes
9	Financial Health Check	Yes
10	Public Liability Insurance	Yes
11	Employer's Liability Insurance	Yes
12	Professional Liability Insurance	No



## Sub-Contractor Policy 2019/20

13	Matrix Accreditation	See note # below
14	Health & Safety Statement / County Court Judgment (CCJ) statement	Yes
15	Health & Safety Policy	Yes
16	Data Protection / Confidentiality Policy	Yes
17	Equality & Diversity	Yes
18	Safeguarding Policy	Yes
19	Sustainability Policy	Yes
20	Ofsted Grade	Yes

*# If the primary purpose of the partner contract is to deliver information and advice the partner will have to have or attain the matrix Standard accreditation within six months of the contract being awarded.*

*If the information and advice is embedded as part of the delivery of the services the partner should work towards achieving the matrix Standard accreditation within 12 months of the start of the Contract.*