



System Group Limited

Partner Management Framework Policy

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1. Introduction

- 1.1. System Group Limited is the UK's largest transport and logistics training provider. System Group Limited provide a range of training programmes for individuals and employers including Adult Education Budget funded training and commercial courses including LGV driver licence acquisition training, Driver CPC and Transport Management CPC enabling people to acquire the relevant skills to grow their career within the industry or to join the industry for the first time.
- 1.2. System Group Limited offer a range of Apprenticeship programmes to help individuals develop the skills and experience required to excel in their chosen career. A range of training programmes are also provided to assist those looking to gain new employability skills.
- 1.3. System Group Limited will enter into Subcontracting arrangements with Partners only where a collaborative and subcontracted approach is deemed advantageous through diverse and complementary qualifications with broader geographical coverage whilst supporting employer and learner demands. System Group Limited are committed to encouraging positive relationships with all Partners who Subcontracts are entered into with and maintaining sustainable excellence with Partners.
- 1.4. This policy sets out our approach, support, contracting arrangements and fees to Subcontracting of Skills Funding Agency Provision, Subcontracting is when a prime contractor has agreed a sub-contract(s) with a provider(s) and allocated part of their (prime's) provision.
- 1.5. System Group Limited recognise that Subcontracting any part of their ESFA contract shall not relieve System Group Limited of any of its obligation or duty attributable to them under the Contract or these conditions.
- 1.6. System Group Limited are responsible for all the actions of Partners which they enter into Subcontract arrangements with. System Group Limited will maintain overall responsibility for the quality of training and on-programme assessment undertaken by Partners.

2. Context

- 2.1. This policy explains the subcontracting arrangements between System Group Limited and organisations who System Group Limited select to deliver services on its behalf (Partners).
- 2.2. This policy forms part of the Partner Subcontract, Agreement for the provision of services, and Partners are expected to adhere to this policy. System Group Limited will hold legal contracts with all Partners and will only enter into partnership with organisations which are legal entities.

3. Overarching Principles

- 3.1. System Group Limited will comply with the principles of best practice in the skills sector in relation to the delivery of learning to the learners. The content of this policy has been developed in line with the ESFA funding rules and subcontracting controls guide.

- 3.2. System Group Limited will always undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential Partners to ensure compliance with the ESFA Funding Rules at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learners.
- 3.3. The funding retained by System Group Limited will be related to the costs of the educational services provided to ensure System Group Limited is complying with funding and awarding organisation rules. These services and the levels of funding being retained will be clearly documented and agreed by all parties. The retained funding element will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual educational services provided.
- 3.4. Contract documents will require both parties to agree that the achievements of Partners are attained through adherence to both the letter and spirit of contracts of 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.

4. Rationale for Subcontracting

- 4.1. System Group Limited has a strategic aim to minimise the level of procurement of Subcontracted provision within our overall offer. System Group Limited aims to use funding allocations to support learners, employers and communities through direct delivery. Minimising levels of Subcontracting also reduces the System Group Limited exposure to risk of poor performance by other organisations.
- 4.2. System Group Limited will in the first instance consider Direct Delivery. However, System Group Limited recognises the benefits that effective Subcontracting can bring to enhance opportunities available as part of the learner journey and uses Subcontractors as appropriate to fill gaps in niche or expert provision, which complements System Group Limited's own Direct Delivery provision, supports with extending the breadth of provision in a collaborative manner between System Group Limited's own Direct Delivery and Partners and thereby contributes to the economic prosperity and stabilities of local communities.
- 4.3. System Group Limited understands the need to utilise Subcontractors to support with providing better geographical access for learners to widen participation amongst learners which may be deemed to be 'hard to reach' and other individuals that face barriers in learning and work to ensuring the provision is fully inclusive and accessible to all.
- 4.4. Where Subcontracting will allow us to capacity-build in new sectors or territories to allow us to move to a position of direct delivery or to grow income such as 16-18 apprenticeship funding and priority areas.
- 4.5. All Partners will be requested to submit an Expression of Interest (EOI) which will be scored against a scoring matrix. Successful Partners will then be asked to complete a robust due diligence submission to review all aspects of the organisation, including a full review of all delivery staff, financial review, quality and compliance review, policies and

procedures in relation to learner safeguarding and wellbeing ahead of contracts being formally awarded and issued for signature.

5. How we select and appoint our Partners

- 5.1. In selecting our Partner providers, we will consider the following: -
- 5.2. **Reputation** – potential Partners may be referred to us by key stakeholders, employers or other main contract holders from across the FE sector. System Group Limited seek to work in collaboration with a high calibre of Partner to ensure sustainable excellence and positive relationships throughout the lifetime of the partnership.
- 5.3. **Specialism** – potential Partners may offer niche provision which would complement existing provision being delivered by both System Group Limited’s own Direct Delivery and Partners in addition to enhancing the learner’s overall experience of engaging with System Group Limited and its Partners.
- 5.4. **Geographical location** – System Group Limited will look at those potential Partners with strong track records of delivering across key Regions and assess the overall presence potential Partners have via evidence-based questioning as part of the Expression of Interest process.
- 5.5. **Quality** – System Group Limited will conduct a variety of quality activities ensuring that both ESFA and Ofsted Education Inspection Framework criteria are being consistently met. Delivery of teaching and learning and the impact this has on the learner will be measured in addition to qualification achievement rates and progression of learners.
- 5.6. **Responsiveness** – capacity to mobilise within a timely manner to ensure the needs of both our learners and employers are met, in addition maximum flexibility and being agile to meet changes required to the way in which the provision is delivered to ensure consistency with the learner journey will be paramount.

6. Quality Assurance

- 6.1. This policy positions subcontracted provision as a core part of System Group Limited’s activity to enable continuous improvements in the quality of teaching and learning for both System Group Limited and its Partners. This will be achieved through the sharing of best practice across the Partner portfolio.
- 6.2. System Group Limited prides itself on its approach to collaborative and partnership working. We regard subcontracting as a partnership arrangement where each Partner can benefit from the strengths and share the best practices of the other for the benefit of the learner. Our Quality Assurance processes aim to be supportive and will provide developmental feedback on how Partners can improve. This includes, but is not limited to, lesson and assessor observations, MIS and data audits, learner and employer surveys. Equally, System Group Limited expects to benefit from good practices observed within partner organisations, which will be disseminated across System Group Limited and to other Partners.

- 6.3. System Group Limited as a minimum will carry out the following Quality Assurance measures with subcontractors to facilitate the delivery of high quality learning to all learners who engage with a System Group Limited Partner.
 - 6.3.1. due diligence visit for new providers.
 - 6.3.2. due diligence review based on risk rating of Partners performance.
 - 6.3.3. quality assurance visits, including observation of teaching and learning, across the year depending on risk rating of which at least 1 will be a short notice visit.
- 6.4. annual survey of learners.
- 6.5. annual survey of employers (if applicable).
- 6.6. monthly audit of MIS data including enrolment forms and attendance records.
- 6.7. Review of learner documents including session plans, schemes of work, skills analysis, individual learning plans, and reviews.
- 6.8. Review of the Partner success rates, self-assessment process and Quality Improvement Plan.
- 6.9. System Group Limited may require the Partner to undergo the following quality improvement measures, should there be concern in relation to compliance or quality.
 - 6.9.1. additional standard or short notice visits.
 - 6.9.2. additional survey of learner or employer views.
 - 6.9.3. lesson or assessor observations.
 - 6.9.4. staff CPD.
 - 6.9.5. consultancy from System Group Limited or another external consultant.
- 6.10. System Group Limited will provide support for all Subcontractors and will:
 - 6.10.1. provide clarification around funding queries, provision of training to complete paperwork.
 - 6.10.2. carry out compliance audits on all Subcontractors in accordance with System Group Limited's audit policy.
 - 6.10.3. carry out Quality Audits in line with System Group Limited quality requirements.
 - 6.10.4. provide training and support where required to address the improvement areas.
 - 6.10.5. undertake follow up audits to ensure actions have been followed through.
- 6.11. Partners are required to contribute to System Group Limited's Self-Assessment Report (SAR) and where they have their own SAR this is to be made available for System Group Limited to incorporate into System Group Limited's SAR.

- 6.12. Partners are required to facilitate surveys of learners and employers at the request of System Group Limited.
- 6.13. Review the qualification levels of delivery teams support the organisation to implement a plan to bring all delivery staff up to the required minimum System Group Limited standard.
- 6.14. Undertake observations of teaching, learning and assessment in accordance with System Group Limited’s own observation policy.
- 6.15. Observation of assessment will be carried out by the System Group Limited staff in line with the company policy.

7. Due Diligence

- 7.1. All potential Partners will be required to complete the required due diligence evidence-based submission. This covers the following areas:
- 7.1.1. contracting & Delivery.
- 7.1.2. management & governance including external credit checks and financial health checks.
- 7.1.3. policies, procedures & quality assurance.
- 7.1.4. staffing & accreditation.

8. Due Diligence Checks Subcontracting Requirements

- 8.1. Due Diligence checks will be conducted at no cost to the potential Partner

Due Diligence documents required for desktop assessment	Notes/System Group Actions
Copy of Latest Set of Audited Accounts	To be reviewed by System Group Limited Finance Team
Full names of all Directors/Trustees/ Senior Managers	Companies House check to be completed by System Group Limited
Copy of most recent OFSTED Report	Require Grade 1 - 2
Copy of most recent Self-Assessment Report (SAR) – where applicable	Require Grade 1 - 2
Single Central Register DD02 for all staff delivering training/assessing	To be reviewed by System Group Limited’s Quality Team
DBS Numbers for all staff delivering training/assessing	Partner to enter details on DD02 document and details will be reviewed as part of the due diligence submission by System Group Limited’s Quality Team
Copy of Staff Certificate(s) for the member(s) of staff responsible for training/assessing	To be reviewed by System Group Limited’s Quality Team
Copy of Health & Safety Policy	To be reviewed by System Group Limited’s Health & Safety Manager
Copies of Risk Assessments	To be reviewed by System Group Limited’s Health & Safety Manager

	Minimum £10 million for Employer's Liability Insurance
	Minimum £5 million for Public Liability Insurance & Professional Indemnity
Copy of Employers/Public/Professional Indemnity Liability insurance certificate	All Certificates to be in date
Evidence of Initial Advice and Guidance (IAG) and IAG Policy	To be reviewed in line with System Group Limited's Policy
Copy of Complaints procedure	To be reviewed in line with System Group Limited's Policy
Copy of Equality and Diversity Policy	To be reviewed in line with System Group Limited's Policy
Details/Evidence of DDA Compliance	To be reviewed in line with System Group Limited's Policy
Copy of Safeguarding and Prevent Policies	To be reviewed in line with System Group Limited's Policy
Copy of Data Protection Policy	To be reviewed in line with System Group Limited's Policy
Copy of E-Safety Policy	
Copy of Awarding Organisation Centre Approval	To be reviewed by System Group Limited's Quality Team
Copy of most recent External Verifiers Reports where appropriate	To be reviewed by System Group Limited's Quality Team

9. Annual Audit

- 9.1. The annual subcontracting assurance requirement requires lead providers that subcontract more than a defined level of provision to obtain a report from an independent external auditor that provides assurance on the arrangements in place to manage and control their subcontractors. The clause requires lead providers in scope to supply ESFA with a certificate confirming that the report provides satisfactory assurance. Lead providers will be in scope if they enter into subcontracts with an aggregate value of £100,000 or more in any one contract year. Employers will be in scope if they enter into subcontracts to deliver the provision with an aggregate value of more than 50% of the funding provided under their Agreement in any one contract year.
- 9.2. Partners are required to participate and cooperate fully with the external auditor to facilitate the production of the report.

10. Fees and Charges Structure

- 10.1. Each cost claimed by Partners delivering Adult Education Budget (AEB) learning, on behalf of System Group Limited, will be determined by the qualification funding draw down value as set by the funding authorities.
- 10.2. The funding retained by System Group Limited reflects the amount required to cover the costs incurred to enable System Group Limited to comply with its legal and contractual

requirements to ensure the provision of quality teaching and learning. The retained funding fee element will be set to cover costs of complying with ESFA requirements and to ensure the quality of educational delivery.

- 10.3. System Group Limited provides a simple and transparent fee structure retaining an element of funding to comply with its ESFA regulatory requirements and this fee is currently set at 20%. This will be subject to the completion of stringent quality monitoring visits, compliance audits and the embedding of all relevant policies and procedures.

A break down provided below of current fee structure.

Management of Contract (7%)

Activity	Frequency
Managing the relationship with the ESFA and Combined Authorities	Ongoing
Preparation for Audit	Annual
Processing of learner paperwork	Ongoing
MI System (MAYTAS)	Ongoing
Reporting suite – pending, open pots, occupancy report	Weekly/Monthly
Processing of sub-contractor payments	Monthly
Analysis of DSATS and error reports	Monthly
MI staff resource	Ongoing
Admin staff resource	Ongoing
Finance team resource	Ongoing
Quality team resource	Ongoing
Management team resource	Ongoing
Financial management system (Evolve)	Ongoing

Quality Support (5%)

Activity	Frequency
Full quality audits	6 Months
Additional audits for sub-contractors falling below minimum standard	As Required
Ad-hoc quality support	As Required
100% compliance audit on all learner files	Ongoing
Ofsted preparation & support	Ongoing
Support with awarding organisations	Ongoing
Feedback on quality processes and support in improving where required	Ongoing
Nominee training	Ongoing
Standardised safeguarding/prevent training offered to all providers	Annual

Management Support (7%)

Activity	Frequency
Partner Performance Reviews	Monthly
Day to day point of contact	Daily
Partner Quarterly Performance Reviews	Quarterly
Additional compliance support.	Ongoing

Partner Events	6 Monthly
Performance Management	Ongoing
Social Media promotion support to positively promote the partner	Ongoing

Employer Engagement (1%)

Activity	Frequency
Access to System Group vacancies data base.	Ongoing
Accounts held with large national businesses.	Ongoing
Support with putting together sector-based academies.	As Required

10.3. The following activities are included the retained funding element.

Activity	Frequency
Issuing System Group Limited electronic document templates and forms to be used by the subcontractor for learner enrolment	As and when amended
Entering learner data and amendments onto the ILR	All learners
Entering attendance data and reconciling with ILR. Calculating fees due and processing payments received	All learners
Support and advice on quality	As required within reasonable bounds
Quality Assurance visits	Three per year (frequency depending on RAG rating)
Annual survey of learners	One per year
Annual survey of employers (if applicable)	One per year
Annual audit of MIS data including enrolment	One per year
Review of learner documents including tracking records, reviews and ILPs	Risk based
Self-assessment process and Quality Improvement Plan	Yearly
Compliance guidance and advice	As required within reasonable bounds
Subcontractor staff to attend System Group CPD activity	As required
Provision of Ofsted updates	As and when available
Provisions of ESFA Updates	As and when available
Observation of teaching and learning	Risk based
Support and advice on the understanding and interpretation of EFSA rules and guidance	As required, within reasonable bounds

10.4. Further funding may be retained to cover the provision of additional education services such as, but not limited to:

10.4.1. Awarding Organisation registration.

10.4.2. provision of learning materials.

10.4.3. qualification certification application and issue Internal quality assurance activity.

10.4.4. processing qualification claims.

10.4.5. provision of Functional Skills Initial Assessment and diagnostic tools.

10.4.6. provision of Functional Skills Learning Materials.

11. Performance Management & Review Meeting Arrangements

System Group Limited work in collaboration with all Partners delivering across System Group Limited contracts in which Adult Education Budget funded provision is delivered by Partners in a supportive manner to ensure the effective management of all contractual performance is achieved. System Group Limited will provide all Partners with a dedicated Contracts and Partnerships Manager who will manage the Partner's performance against their contractual key performance indicators, as detailed within the Partner's Agreement for the provision of services contract.

Performance meetings with System Group Limited's Contracts and Partnership Manager will be scheduled with all Partners delivering across Adult Education Budget funded provision on a monthly basis, with the previous month's performance being reviewed in detail and action planning for the month ahead being agreed by both Parties.

Partners will be engaged with a virtual monthly performance review to discuss Partner performance levels and future pipelines in accordance with the tracker document which Partners will be issued to complete and return on a weekly basis.

During the meeting, if there is a need to implement formal performance management measures this will be discussed with the Partner and next steps confirmed.

Following on from the monthly performance review, a completed version of the monthly summary review document will be forwarded to the Partner for their review within five working days and a signed copy will be requested from the Partner to validate the document is a true reflection of the discussions which were entered into between System Group Limited and the Partner.

A face to face, in depth Performance meeting will take place at a minimum of once per quarter and will be arranged between the Partner and System Group Limited Contract Managers. A quarterly performance review document will be drawn up ahead for each meeting and shared with the Partner to ensure the quality delivery of the Services and contractual performance is being achieved by the Partner.

Following on from the quarterly performance meeting, a completed version of the quarterly review document will be forwarded to the Partner for their review within five working days and a signed copy will be requested from the Partner to validate the document is a true reflection of the discussions which were entered into between System Group Limited and the Partner following on from the quarterly review.

As part of both the monthly and quarterly reviews, Partner performance will be assessed in line with ESFA minimum standards which the Partner is required to comply with.

12. Performance Management Measures

Where it is identified that a System Group Limited delivery Partner is consistently failing to achieve the required performance levels against their contractual allocation or failing to meet compliance key performance indicators, including timely submission of paperwork and error rates over and above the tolerance levels set, System Group Limited's Contracts and Partnerships Manager will formally communicate to the Partner in writing the concerns which have been identified and discuss the next steps which the Partner will be required to engage with to support with enhancing their performance levels to the levels required from a contractual basis.

13. Bi-Annual Partner Events

System Group Limited will host bi-annual Partner Events which all Partners delivering across Adult Education Budget funded contracts nationally will be invited to attend. The purpose of the event will be to positively promote the performance being delivered across all contracts, enable the sharing of excellence practice, support with developing new working ways to maximise performance across all contracts and explore additional opportunities for collaborative working/new provision.

14. Payment Terms and Conditions

- 14.1 System Group Limited will pay the subcontractor in accordance with the published fees and charges policy. Payment will be in accordance with the standard System Group Limited terms and conditions, unless previously agreed otherwise in writing by the System Group Limited CEO. Partners will be informed of the monthly on programme payment value by the 20th calendar day of each month in writing via email, email will include the Partner's Occupancy Report data and PO number to be included on the invoice the Partner is required to submit to System Group Limited's Accounts Team. Valid authorised Partner invoices will be paid on 30-day (Thirty) payment terms.

15. Policy Details

- 15.1 This policy is published on the System Group Limited website and all potential subcontractors will be advised of the policy at the onset of contract negotiations.

15.2 The policy will be reviewed annually by the Board. Next review due August 2022 to align policy to any revised ESFA guidelines.